

MR. BALDWIN

*A STUDY IN POST-WAR CONSERVATISM*

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CONSERVATISM

BY  
JOHN GREEN

“Commerce, Opulence, Luxury, Effeminacy,  
Cowardice, Slavery: these are the stages  
of National degradation.”

WILLIAM COBBETT  
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To  
VISCOUNT LYMINGTON, M.P.  
LEADER OF THE ENGLISH MISTERY,  
WITH AFFECTION AND HOPE.

## INTRODUCTION

THIS is an attempt to analyse what has been the most important, if the least spectacular political leadership in the age in which we live. Beyond all the figures that the War has left in old age and high office, Mr. Baldwin stands out pre-eminently. He has supported in its collapse a great political party and its creed. He has represented the public opinion of a dejected and disconsolate nation in a critical phase of its history. He has played his part in the closing cycle of a political system of which the standing form has belied the tottering fabric. Without the ability to provide the leadership which the nation required, he has proved himself to be the best leader that the nation could produce. Praise of him is silent, condemnation of him is of post-war statesmen generally, of a vulgarised public and of a decadent system. In a period of bewilderment in civilisation it was Mr. Baldwin who was thrust up as a figure to preside with urbanity over conferences and crises the significance of which their promoters can have never understood. From Washington to Ottawa he has drifted on the tide, blamed for a lack of vision, which he has shared generally with his times.

The fact that neither Mrs. Baldwin nor the family of the ex-Prime Minister are mentioned in these pages is an attempt at least to honour Mr. Baldwin with a criticism of his statesmanship devoid of sentiment. When it was shown that he exercised the greatest virtue in his family life it would only add, not to the greatness of his career, but to the nausea of modern politics. He is judged here by the eternal criteria by which those who aspire to high office

in the land must stand or fall. A public that requires the levities of sentiment is self-confessed of its incapacity to vote or to form any political judgment. That the sovereign people is largely moved by sentiment is only an explanation of the insult that democracy has paid to whatever science there may be in politics. The attempt here is seriously to criticise a leader, his policy, and his times for those who question the future and learn their lessons from the past. Because a man who becomes Prime Minister has taken on himself (in reality) the duties of a sovereign ruler he must be judged by standards which are esoteric. The demagogue has become so commonplace in public life that only in comparison to him are leaders usually criticised. A demagogue, it has been forgotten, is only interesting provided he is unscrupulous enough, but in any case he is unworthy of English politics. Mr. Baldwin is criticised as a statesman and not as the darling of any section of the community or in any of the poses in which propaganda from time to time has placed him. He is often condemned in relation to positions to which he has aspired, but to make personal allowances would be to sacrifice the art of statesmanship to the tender conscience of the individual.

It must be remembered that Mr. Baldwin has governed in an age when the great statesman might have sought retirement rather than face its indignity. The ambition of some of Mr. Baldwin's rivals may have been slaked by their pride, but this seems improbable at a time so barren in personalities and so rife in innocent futility. Mr. Baldwin has not been great, but alone in any momentary greatness he may have achieved. If in the criticism of him or of the Conservative Party there is any charge of iconoclasm it is unjustified. No hostility is intended. The keynote of Conservatism is authority, and the attempt in these pages is to goad that authority to justify itself. It is to destroy with the vision in mind of a greater image and not to insult from jealousy or fear. It is an attempt to

analyse the often undeliberate and sometimes petulant commands of a party leader and to detect where they became shorn of the sanction to command obedience. The fact that Mr. Baldwin has been an able party politician and that there has been none abler in his times, is accepted as a postulate. Nevertheless, it would show indifference to pass no comment when a statesman has immolated himself and sacrificed the time-honoured political creed which he held in trust. The cause of Conservatism demands some inquiry and some investigation of Mr. Baldwin's career.

Mr. Baldwin is seen to be mystified and confused. He is a man not without ambition, but who has outbid his capacity, and his intellect. At a time when progress should have brought enjoyment to office he found its rigours multiplied. He was faced with economics beyond political control, with science run riot, with people demoralised, and political wisdom at the same moment sacrificed to a hundred years of democracy. At a time when only the greatest statesman could possess the power to co-ordinate the ramifications of contemporary life, Mr. Baldwin came forward with no claims to more than average ability. Nervously watching his public and distracted by the technique of an over-organised existence, he was called upon to simplify and make straight the way. In such circumstances it is natural that although he has never lacked real prestige, he has never possessed more than nominal power.

Mr. Baldwin is criticised for his failures in constructive statesmanship. The fact is not disguised, however, that the constructive act has often been beyond his ability, and more especially beyond that of any of his colleagues. His negative acts can be considered as great contributions to the welfare of his country. More than one crisis and more than one individual career has broken itself as a result of his tactful inaction. In the case of the General Strike and the Financial Crisis he was face to face with the doom of

the English people. By minor measures within his power he has done something to alleviate the burden on productive industry. He has given of himself and of his fortune freely at a time of supreme crisis. Nevertheless, the criticism here is prompted not by the failure to appreciate the virtues, so much as by the conviction that the big constructive acts cannot be put off indefinitely. Here is but a warning of an approaching cataclysm and a recognition of the fact that as long as Mr. Baldwin leads the right, leadership is at a general disadvantage. Loyalty is appealed for, which makes loyalty by the self-respecting an impossibility. Discredited political values are enthroned heedless of their re-assessment and a changed outlook which burns for self-expression. Mr. Baldwin has played a distinguished part, but all that he came to vindicate still waits to be avenged.

## CONTENTS

CHAPTER	PAGE
INTRODUCTION . . . . .	vii
I. THE INDUSTRIAL REVOLUTION . . . . .	I
II. WIDENING INTERESTS . . . . .	27
III. LORD CURZON . . . . .	54
IV. THE AMERICAN DEBT . . . . .	80
V. PROTECTION . . . . .	103
VI. COAL . . . . .	131
VII. AN ESSAY IN CONSERVATISM . . . . .	160
VIII. PARTY LEADERSHIP . . . . .	191
IX. LORD BEAVERBROOK . . . . .	221
X. THE NATIONAL GOVERNMENT . . . . .	240
INDEX . . . . .	271

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JOHN GREEN.

INNER TEMPLE

*March*, 1933

# MR. BALDWIN

## *A STUDY IN POST-WAR CONSERVATISM*

### CHAPTER I

#### THE INDUSTRIAL REVOLUTION

MEN are in history seldom the architects of their own ages. Moreover, it is the philosopher rather than the statesman who directs the lives of generations still unborn. The statesman is the reflection of his age, and most ages have been ready to acclaim their statesman. In the modern world the business man and the clerk dreams of the superman without realising that he himself represents a 'system' that puts a low price on such a personality. The critic in the twentieth century street applauds the megalomania of the mountebank. He expects his hero to have risen from the masses of a doubtful overlordship. He fails to distinguish the wise ruler from the political showman. Owing to his individualist upbringing, he tends to judge men in the close span of their own lives; to reduce their achievements and failures to a balance sheet; and to be impressed by their accomplishments rather than their virtues. In short it is no moment to expect sane criticism of a man who succeeded to confusion and who by reason of his upbringing was himself the most confused.

It is now close on two centuries since the first urge of the Industrial Revolution commenced to stir men's minds. To those centres where coal and water were plentiful the powerful magnet of increased hope drew the men of the British countryside. The Welshman forsook his hills for the doom of the South Wales valleys. Birmingham spread

itself across the pastures of the Midland Counties, and Adam Smith had already provided a logical argument that reconciled men's minds to the change. In this atmosphere the Baldwin family departed from Shropshire to seek their fortunes nearer the new plenty.

It was only twenty miles to Stourport in Worcestershire, where Brindley's Canal joined the River Severn. The situation was suitable for the establishment of an iron foundry. The Baldwins were of Quaker stock, which implied a belief in progress and a mild dissatisfaction with the old order of things. Probably Shropshire, with its stately homes and maturing parklands, had grown a little static for any save the richer squires and better craftsman. The new industrialism offered greater freedom to the individual and a better opportunity to regulate his own existence. The contractual life suited the non-conformist mentality that had chafed under the burden of status. The advantages derived from the new found mineral wealth served to offset their political and religious uneasiness. It must be remembered that the eighteenth century, which had opened in a blaze of glory, was closed in revolution, fear and apprehension. The fact that there was an outlet for dissatisfaction saved England all the turmoils that afflicted the Continent.

The sturdy dissenting stocks worked off their sense of inferiority in the new machines. They applied themselves to the task with religious fury. Where they had not had the opportunities for culture, they at least would not miss the opportunity of wealth. The disapproving critics were the old gentry who witnessed the material success of a sense of values they had always considered it prudent to suppress. There was also a type of labourer, typified later by Ned Lud, whose aristocratic indolence viewed the prospects of a machine age with alarm. In addition to these, the man with political vision had every reason to fear. The possibility of the new prosperity asphyxiating the sense of permanence and stability was probable. This

was hardly understood because a century and a half was hard to measure, not by the property owner, who had pride of past and hope of future, but by the self-absorbed manufacturer who was revenging himself on the institutions of the age before. The doctrine of *laissez-faire* by which he justified the freedom to grow rich would some day dissolve the entire political, social and economic fabric of the State into a condition of flux. The very Liberalism which justified the factory and saw the apprentice system disappear would become a mental affliction; it had of its nature to substitute quality for quantity, and to create a materialistic outlook that a perverted Victorian morality could hardly disguise.

These thoughts can have troubled little the great-grandfather of Mr. Baldwin. George Pearce Baldwin saw a new dawn across the county he had left, and a new hope beyond the narrow round of squires and gamekeepers. In the year of 1800 he had other worries. It was only with difficulty, as Mr. Baldwin said later, that his family raised £500 from the old bank at Worcester. The Bank helped them carry through the crisis in the 'twenties, it launched the business on the road to prosperity and time and again assisted in the setbacks of the nineteenth century. The character of the nation had not been destroyed in those days and banking was different. To-day a swindler on a large scale can raise a million, but it is hard for a stout-hearted manufacturer to obtain an overdraft of £500. Before the days of centralised banking, character was considered more important than security. The private banker, in the particular instance, could have ridden across to Stourport. The pack mules would have passed him on the road, laden with raw material, while the finished products floated away before his eyes, as the barges slowly traversed the red cliffs of the Severn on their way to Bristol.

The new life was still essentially patriarchal. The personal element survived, and in the early manufacturer

was an inherited depth of understanding. Mr. Baldwin has related of his own childhood:—

“I regard it as of the greatest value to myself that during the formative years of my life, and during the ten and twenty years when I first started work in the world, I worked in close contact with all classes of people in this country, and enjoyed, through no credit of my own, the good-will which I have inherited from generations that have gone before me and left behind a name for fair play, right judgment and kindliness to those with whom they have worked.”

When those words were spoken they signified nothing, but they drew into perspective the early days of the Industrial Revolution. Great amalgamations, the Trade Union Congress, the megalomania of Scots and Jews who have no responsibility even up to their bank balances, have rendered such sentiments forlorn. Nevertheless, the fact is here that far into the days of vulgarity and irresponsibility lingered the vestiges of gentle culture and good manners.

It was during the period when the Baldwins first came to Stourport that the decay of English culture and tradition commenced. A new generation was growing up that was too numerous to serve an apprenticeship and too independent to respect custom. Politically the degeneration of character led to a failure to observe discipline. Since 1795 there had been a period of legislative repression. The trial of Hardy, the shoemaker, had been followed by an increase in democratic societies. The King had been hissed on his way to open Parliament, and Birmingham had witnessed a series of riots between the Church and State Tories and the Non-conformist mob. The fall in dignity had affected the upper classes. By 1826 Cobbett, who was an honest countryman, had said that “of all the mean, of all the cowardly reptiles that ever crawled over the face of the

earth the English landowners are the most cowardly." When, some years later, those Tories who had not forgotten the old sense of duty and disinterested public service introduced the Factory Acts, Mr. Cobden, Lord Brougham, Mr. Gladstone and the Nonconformist mill-owner John Bright were among the opposition. The very friends of the people were their enemies. No class of society was not demoralised by *laissez-faire*; material lusts had proved too strong. Society was afflicted by a sense of false values. It was, therefore, something for the Baldwin family to have held through those years to the old tradition of *noblesse oblige*. In the comparative seclusion of Stourport they had shown that the aristocratic sense of duty could exist even in an industrial environment. That town had the undoubted advantage of working in rural surroundings which may have assisted the Baldwins to maintain this balance.

The family definitely belonged to the new aristocracy. They deserted Quakerism during the century for the more dignified refuge of the National Church. That was a wise and almost natural act. The conversion was usually deliberate among the Nonconformists who had made their positions. Nonconformity was something of which to be ashamed rather than proud. All conscientious objection is futile since it implies an inability to remove the objection. The dissenter of the Industrial Revolution wanted status in a world where that privilege was confined to the few. He objected passively because he was unable actively to control his circumstances. It was a sound religion for grocers, but not perhaps for leaders and rulers. The interest is that the present Mr. Baldwin professes a dilettante admiration for the faith his forbears formally abandoned.

Alfred Baldwin, Mr. Baldwin's father was born in 1841. He inherited from his father, of whom he was a younger son, the accepted status of a prosperous iron-master. He saw during the sixty-seven years of his life the mushroom growth of England's industrial splendour.

He could hardly have been duped by the so-called stability of the nineteenth century since he could examine close at hand the fungoid nature of its development. He shouldered the burdens of private property unlike the modern business man. He was responsible for his works and responsible for his work-people. He lived beside the machines of his own material fortune and was respected by his neighbours and his friends. In 1895 he was elected unopposed to Parliament for the Bewdley division of Worcestershire, and in 1900 he was re-elected in the same manner. The proof of his local standing came in 1906, when in the Tariff Reform election he gained an easy victory. He returned to Westminster to fill his party's depleted ranks, not as the result of any histrionic artifice, but as the esteemed representative of a people by whom he was known and respected. His opponent had the bitter chagrin of a defeat by over two to one at the hands of an electorate that was bred straight and possessed the peasant wisdom to trust the right leader.

It would have been impossible that Mr. Baldwin's father should not have seen the gathering clouds. He was involved in the basic industries where the country's heart would first begin to falter. He could understand the warning of Joseph Chamberlain when fools refused to believe. He was Chairman of the Great Western Railway Company which was a powerful position in those days. Then the railways were the veins that carried the life-blood of a prosperous nation. Brunel had spanned the western hills and linked the valleys with an easy confidence in the early years of the century. It seemed that the early years of the next century might scarcely see that confidence maintained. Mr. Alfred Baldwin must have known intimately the ganger of those early days, who camped and poached his way across the heart of England. There was a broad, generous outlook among the men who swung their axes beneath an open sky. By 1906 they were a vanishing type and the responsible industrialist like Mr.

Baldwin was even rarer. Liberalism and industrialism were taking their toll of the British race. Mr. Baldwin would have hearkened to a Jeremiah, who prophesied evil concerning the future.

It was in 1902 that Alfred Baldwin and Company became merged in Baldwins Limited. To-day Guest, Keen and Baldwin represent the many enterprises that struggle cheek by jowl to keep their heads above the industrial depression. It was a significant moment when Baldwins became a limited liability company. It was perhaps more portentous than the Protection defeat of 1906. It meant the close of that short but virtuous page of industrial history that opened with the flight from Shropshire. Mr. Baldwin lived on at Wilden by Stourport, but he could as well have lived abroad. The failure to have Protection meant ruin, the departure of the responsible employer meant Communism. They were signs of the times, and of the tragic close of the Industrial Revolution. It was too late then, and nothing could forestall disaster if the diagnosis made in the heart of the industrial Midlands was correct. After a protracted meeting of the Board of the Great Western Railway, Mr. Baldwin died of heart failure in 1908.

Against the material development of the Industrial Revolution which the Baldwins so well represent there had been a cultural growth. The existence of democratic values had encouraged the intellectualism of the Celt. It is a strange coincidence that in Mr. Stanley Baldwin both the cultural and political traits of the nineteenth century have been inherited.

On the maternal side the blood is Celtic. George Browne Macdonald was the son of James Macdonald a learned Wesleyan Minister. He introduced a Welsh strain into the family by marrying a certain Hannah Jones, a daughter of a native of the Vale of Clwyd, in North Wales. By the marriage he had two sons and four daughters. The eldest son after a successful career at Oxford departed to America

where he went into business; the younger son carried on the Wesleyan tradition and became President of the Wesleyan Conference in 1899. As joint editor of the *London Quarterly Review*, this younger son, Frederick William Macdonald, had established a literary reputation and had written several works before he died. The Macdonalds appear to have been both genial and human as a family. They had that breadth of intellectual appreciation that may often amount to dilettantism in the Scot, but which creates his deep understandings. They were puritans of the type that is so vigorous and natural across the border but which in England becomes so tiresome. Inferior people who hide behind morality are hardly to be compared to these moralists who are prepared to lay down their lives for the right. There is little doubt that the Macdonalds passed down to their descendants a high moral sense.

The four daughters made a series of perhaps typical alliances. Alice, the eldest, married Lockwood Kipling, and Mr. Rudyard Kipling is their son. Georgiana married Sir Edward Burne Jones, and Agnes married Sir Edward Poynter, who became President of the Royal Academy. The fourth daughter, Louisa, became engaged, while her father was at Wolverhampton, to Alfred Baldwin of Bewdley. As the result of this alliance she became the mother of Mr. Stanley Baldwin. The female line appears to have influenced strongly their progeny. Lady Burne Jones in her "Memorials" notes that at the time of her marriage neither her father nor her brother had "any idea of Edward's genius." "Prospects," we are told, "were not discussed; no questions were asked about fortune or position; the only concern appears to have been—characteristically enough—on the subject of character." In Mr. Kipling the high moral tone constantly asserts itself. It sugars his philosophy at its strongest moments and undermines its confidence with passionate appeal. The fervour of the Scottish divine occurs in sentences like "reeking tube and iron shard" or "all valiant dust that builds on dust." Mr.

Baldwin must have been sensitive to the galaxy of talent in his family circle. The rounded forms of the Pre-Raphaelites must have satisfied his first consciousness, fine words must have pleased his listening ear. He was once called by his cousin, Mr. Kipling, "the literary member of the family."

It is a fairly safe generalisation to state that pure intellect was never aspired to in the late nineteenth century. Sentiment was always choking the dominant mind. No age has ever been so confused and inconsistent in its thought and yet no age has been more rational. Materialism produced a sense of unreality, and wild idealism destroyed all constancy of intellectual purpose. Having no purpose thought turned backwards to romanticism. That perhaps was the story of the development of ideas which the family circle of Mr. Baldwin represented. Mr. Kipling, who was influenced by a more real atmosphere from a life abroad and in the Empire, acquired a magnificent profundity of thought. His cousin has remained a dilettante. The elder cousin is constant,—the younger cousin has never possessed a centre round which to organise his ideas. He has not overcome the inherent dangers in his pre-Raphaelite ancestry. The Scottish outlook of the Macdonalds was far more liberal than traditional; it was essentially *a priori*. Mr. Baldwin has said of his mother's ancestry:—"It was entirely Celtic, and my mother's family fled from the Highlands after having been out with Prince Charlie in 1745." That wandering creates a mental instability in these Scottish emigrés. They rule the Empire, mesmerise with their speech, dupe Universities into imagining them clever; they are the master technicians but they remain superficial. At least, they remain unable to understand politics which are indigenous. Mr. Baldwin probably never realised how shallow were the scintillations of the nineteenth century artistic world beside the dour stability of his Worcestershire home. The two were not, as he would hope them to be, compatible.

It remains to say something of environment. The moment that Mr. Baldwin was old enough to ride he traversed the lanes and bye-roads on his small pony. The family coachman rode at his side. He used to play in the meadow with his cousins and hang flowers round the neck of a favourite lamb. Mr. Kipling paid his first visit to his uncle's home at the age of four, and Mrs. Baldwin was his god-mother. He was home from India with his parents. One day when old Mr. Baldwin was walking on the lawn looking at some geraniums Rudyard Kipling said: "Uncle Alfred, if you walk on those flowers William (the gardener) will pull your ear." Mr. Baldwin used to get under the cucumber frames and spoil the cucumbers, but his old nurse and the gardener found him hard to catch. Here was the perfect English childhood, with opportunity for deep meditation in the receptive years. That seems the one common requisite to the formation of genius. In this case the lace and plush and antimacassars of the period may have idealised the early dreams. There was an ambition to be Prime Minister or Archbishop of Canterbury. The intention was not without hope for a man of the smallest personality. Either office would represent an institutionalised compromise when Mr. Baldwin should have grown to manhood.

The opportunities are in the West Country to nurture the supreme realist. The England of the Baldwins is windswept and open. The West Countryman has a sturdy independence of criticism that is the result not of self opinion but of long years of social unity. History is no class-room-study to the dwellers of the Severn-side; the river itself bears the atmosphere of reality from the heights of Wales to the depths of the Atlantic. They were real kings and queens who marched their armies down that valley and watched like fighting cocks for the fatal openings. There was no idyllic chivalry among the men who clashed at Evesham, Tewkesbury or Worcester. Mr. Baldwin has said:—

## THE INDUSTRIAL REVOLUTION

"I remember as a child looking up the river from the bridge into that romantic and mysterious land of Shropshire, from which my people came only three generations before, and watching the smoke of the train running along the little railway through places bearing names like Wyre Forest, Cleobury Mortimer, Neen Sollers and Tenbury—names steeped in romance and redolent of an England long ago passed, but whose heritage is ours."

Here is the subtle artistic appreciation with dangerous tendency to romanticise.

Mr. Baldwin belongs to that great brotherhood of Englishmen who claim the Malverns as a landmark. He had himself recalled the poet Langland lying on their slopes and shaping *Piers Plowman* in his mind. From his garden he can look across four miles of valley to the hill where Owen Glendower camped on the last invasion of England by the Welsh. Every tree and hedgerow lurks with the romance of the Marches. The Worcestershire man should have drunk as deep of the inner spirit of England as any other living person. Nationalism is a more impelling force in these border districts than in the Midlands proper; in the same way a Yorkshire man appreciates the genius of his race perhaps less than the dwellers of the Tyne or Tweed. A supine ineffectiveness can often afflict the inland county which accepts too much for granted. The Worcestershire man with only Shropshire or Hereford to the West, is very nearly the personification of England. The people of the Severn hardly contemplate the domination of the Celt; it is a reversal of physiological values they resist instinctively. Mr. Baldwin knows these people intimately. He has said:—

"It is natural, perhaps, quite apart from one's parentage, that one should feel this because I lived as a child in the heart of Worcestershire by the side of one of the

last iron forges that were left in the rural districts of England and the impressions of childhood are those that last, and as you grow older come back most strongly. Among the chief friends that I had in those days—they represented two sides of life, the industrial and the agricultural—one was a shepherd who could neither read nor write, but like many men in those days who could neither read nor write, he was a great deal more intelligent than many who can do both now. He had a face like an old pippin and talked the undiluted tongue of our fathers. I learned much from him. Another man that I learned much from was one who had been a workman, and who rose to be a manager and who went to work at ten years old on a twelve hours night shift, thus being a link with an industrial past that has, thank God, passed away for ever. But with such friends of one's childhood it is little wonder that one learned a profound sympathy with and affection for the common man, of whom I am one, which has never deserted me and never will."

During the dark days of industrial unrest in 1925 Mr. Baldwin gave a vivid picture to the House of Commons of the patriarchal system in which he had been reared. He painted his own background in an attempt to assuage the Trade Union Bill which his followers were thrusting at the Labour Party. He said:—

"I hope this House will bear with me and forgive me if I draw for a few moments on my own experience, because it so happens that owing to the peculiar circumstances of my own life I have seen a great deal of this evolution taking place before my own eyes.

"I worked for many years in an industrial business and I had under me a large number of men, or what was then a large number of men. And it so happened, as this was an old family business, with an old and, I

venture to say, good tradition, that when I was first in business I was probably working under a system that was already passing. I doubt if its like could have been found in any of the big, modern, industrial towns of this country even, at that time.

"It was a place where I knew and had known from childhood, every man on the ground; a place where I was able to talk with the men not only about the troubles in the works, but troubles at home and their wives. It was a place where strikes and lock-outs were unknown. It was a place where the fathers and grandfathers of the men then working there had worked, and where their sons went automatically into the business. It was also a place where nobody ever 'got the sack,' and where we had a natural sympathy for those who were less concerned with efficiency than is this generation, and where a large number of old gentlemen used to spend their days sitting on the handles of wheelbarrows smoking their pipes.

"Oddly enough it was not an inefficient community. It was the last survival of that type of works which ultimately became swallowed up in one of those great combinations towards which the industries of to-day are tending."

The fundamental philosophy at the base of that system had come from the old feudal and territorial days. Service, duty and responsibility were the essential features of its success. Profit was not, as now, the one and only criterion. Even Socialist Members of Parliament in the troubled year before the General Strike received the sentiments with satisfaction. A mode of industrial life that could reach above the discord of hours and wages was worthy of approval. Efficiency, the modern curtain for mass mis-management, was not in those days thought about. Workmen could be trusted not to cheat the management, and did not clock in automatically; managers, whose

memories could be trusted, did not keep files and endless statistics; scientific research, to discover markets which on a general survey of cause and effect could be seen to have been lost irretrievably, was not indulged in. All the complexity of modern business, which is a return to chaos, was absent. The qualitative and personal element had been inherited in those ironworks from the days of the Guilds and apprentices. Mass production was combined for a short moment with the maintenance of character. The old peasant type was still in corduroys.

Mr. Baldwin admired and appreciated the close-bred English people. He was, in his turn, known to them. He was known as "Our Mr. Stanley" at the works, and had lived among his own people since he came from Bewdley, where he was born. In later years his chief form of recreation had been walking, which gave him an even deeper and more mature understanding of his own countryside. He had the time and the opportunity to ponder over the impressions of his childhood. He could have imbibed the philosophy of his kith and kin. A man with political ambitions could have acquired the whole art of statesmanship from the labourers and workers of Worcestershire. The leading men were rulers of an organic not an organised community; their politics dealt with men rather than with synthetic parishes and councils. Criticism, if not scientific in method, was based on an irrefutable empiricism. The old shepherd with the face like a pippin would have formed the same opinion of a leader as his servants and his dogs. His criteria were based on realities, his values were agricultural. Mr. Baldwin's environment was the home of the Baldwins, his intellect might well develop aloof from all this world of wisdom and assume the dangerous *a priori* tendencies of the Scottish Macdonalds.

It is necessary to leave Mr. Baldwin and return to the major political issues of the Industrial Revolution. The confusion which the post-war statesman has inherited cannot be understood unless the proper analysis is made

of the new world and the new values. The heredity and environment of a person are only of interest in relation to the circumstances in which he is called upon to perform.

The growth of the Baldwins' fame and fortune exemplified a rapid environmental change. Socially the period marked the metamorphosis of the Englishman. There was a revulsion of outlook and character controlled by the new political necessities of the age. With the defeat of Lord George Bentinck and the repeal of the Corn Laws in 1848, the old protective system was virtually overthrown. Whether that system had failed to be of use is hardly germane to any but an economic survey. The fact that its fall was prompted by starvation is immaterial, since feeding undesirables, if they have proved to be such, is not the purpose of national policy. The essence of the old system had been the protection of character and responsibility, not necessarily an economic protection. *The Wealth of Nations* had accelerated its fall by a series of logical deductions from a succession of unproved and untenable premises. The belief that quantity was preferable to quality; that expert technical processes would not destroy culture, craftsmanship or the co-ordinating capacity of the intellect; and that equality and material wealth were desirable were of the nature of the new misconceptions. Adam Smith was a Scot, and Scotland, having never possessed political integrity, was a renaissance country rife with liberal ideas. There could only be one result, one common disaster as a climax to the philosophy of the Industrial Revolution. The inevitable occurred in 1860 and by the first Company Act irresponsible wealth was legalised. The introduction of limited liability was the herald of Marx, and the augury of civil and internal discord.

In effect a new protective system had been introduced. By throwing liability on to parties that had not the intention of incurring it, it safeguarded irresponsibility. Mr. Baldwin's father, who had lived at Wilden among the work-people,

was rendered a patriarchal anachronism. It was seen that he carried the old system on until 1902. However late individual instances of responsibility may have survived, the fiction of collective responsibility had been accepted. England embarked on the road to acquire a fungoid wealth. An increase of enterprise followed the unnatural stimulus. Adventurers found a new opportunity to saddle their risks on others, and in every instance the higher type of Englishman brought up to a more stern ethical code became the dupe. The moneyed interests spread like bindweed round the plants of production, until from being an auxiliary like the old bank at Worcester, Lord Milner in 1925 considered them unpatriotic and hostile.<sup>1</sup> It was after Consols had touched top in 1898 that the tide of industry began to ebb.

If it was a slow economic ebb, it was a rapid spiritual flood. The warning of the Tariff reformers did not seem convincing with increasing material prosperity. Those that had eyes to see, for the most part did not wish to use them. The new irresponsibility demoralised the nation and destroyed its character. It could only be ruled as a police state with a standing army of officials to maintain its spurious integrity. The Fabian system came into effect as a brilliant expedient to gloss over the fallen virtue of the race. Bureaucracy took the place of individual responsibility and sense of citizenship. To-day the system costs the country the larger part of an 800 million pound Budget, with an army of private inspectors and ticket collectors, as well as the local officials who fall on the rates. The new guardians of lost character must amount to a large percentage of the daily cost of living. The final warning of the decay of English polity came with the appearance of the Celtic careerist. Mr. Lloyd George obliterated the traditions by which the people lived.

<sup>1</sup> Posthumous papers published in *The Times*, July 27th, 1925: "Just as productive industry welcomes rising prices, the moneyed interests must always be in favour of falling prices because they render its own wares—money—more valuable."

The old mediaeval principle of testing a man on his local responsibilities was abandoned. Members of Parliament became professional politicians, clever but without the capacity for leadership. Political agitators were reinstated on salaries far from the places where they were known and understood. The disadvantages of this were two-fold: honest agitation was often silenced, and dishonest agitation was frequently moved from the locality where the agitator would be ignored. The new type-man was most often the Welshman and the lowland Scot. He was a narrow intellectual of the bureaucratic sort, clever, an office-seeker, but without a vestige of political capacity. He developed only the ratiocinative part of his mind and devoured the new found Fabian routine. Tradition, instinct, imagination and discipline, the moulding forces in the higher intellect were unknown to the new mandarins of the Government office. The old rulers, the territorial aristocrats—the responsible employers, the town and country peasant leaders, had lost their places in the phase of the Industrial Age that stretched up to 1914. Their weapons rusted with disuse, the new type increased and continues to increase even to the point of bankruptcy.

When a man of Mr. Lloyd George's qualities could rule the people, the political energy of the English may be considered to have fallen to its lowest degree. The independent judgment of the peasant had been stifled by a hundred years of industry. The old shepherd with the face like a pippin would have been a little sceptical of Celtic standards. Parliament and debating had for some years encouraged the degenerate type. The Englishman is unsuited to debate, he mistrusts quick wits for a lack of purpose and stability. The House of Lords has lost more statesmen through the asphyxiating effect of dialectics than it has ever gained. The political genius of the indigenous person lies in an absence of ideas and opinions, the ability to live at peace by experience and tradition, and the possession of a narrow and objective dialect. The peasant can

take and receive an order, and that for him is the fullest scope of politics. He is a realist who mistrusts the mere idea, whereas all debate and dialectic is a jumble of ideas woven into as many deceptions as there are unintelligent listeners. It was obvious that when the individual degenerated in the urban crowd, the degenerate individual would bend its mediocre will. That accounted for the Celtic type in high places, and accounted for the new criticism that praised the powers of self-assertion above the greater ability to be gregarious. All that was best, all that was highest in English political life Mr. Lloyd George, the demagogue, came to destroy. He represented in 1914 the new assessment of political values.

The man who was destined to inherit the confusion of the two types of life and outlook was Mr. Baldwin. He brought to the bureaucratic state the mind of the peasant. On the other hand, he had within himself the blood that blended best with the new type. No man exemplified more by heredity and environment the confusion of values that had reduced contemporary politics to impotence.

It seems strange that a man with so profound an industrial experience should possess any belief in progress. Mr Baldwin has spoken of "the next phase in our industrial civilisation." That phase can only be chaotic. The very nature of his early business days should reveal that progress now is downward. It is downward because it is based on the lower democratic values of mass production and mass enslavement. England, with her highly finished basic industries, is dependent on the high values. Her industry has grown like the Baldwin works from an aristocratic and cultured past. British industry depends entirely on a change of outlook, it can never compete and it would be racial suicide to re-adapt. Only the Jew will stoop now to start the superficial industries that can mark the final phase of Liberal industrialism. Mr. Baldwin knows that it is all a question of valuation, but he waits for the change without forcing it. He adopts a masochistic attitude and

says "that the clock cannot be put back." What if the clock has stopped? It is the Scottish mentality that believes in the idealistic sense of progress. The realists of the Severn valley know the truth.

There can be great danger in seeing good in everything. It implies an absence of political taste and an inability to choose between evil and good. It is almost a virtue in a statesman to be mistrustful, it is certainly a vice for a man without taste to be tolerant. The basis of toleration is a very consistent scepticism. Mr. Baldwin has developed no critical standpoint in statesmanship. His taste in politics is vague. He will address and applaud any society if he considers it to be his duty. For example, he made an important speech one day to the National Institute of Industrial Psychology. Despite his wealth of personal experience, he said:—

"These depressing features of the Industrial Revolution, whatever they have brought in their train inside workshops, have had a tendency to bring in their train outside workshops one very bad thing, and that is dislike of work itself. If work can be presented in a palatable form, I am not sure that the ordinary human being does not like it, provided that he gets a reasonable amount of play. The real enemies are overwork, underpayment, insecurity and bad conditions. These are the real evils, to the assuaging of which the work of this Institute, as I understand it, is directed and in that we wish more power to its elbow."

It is difficult to believe that a man forged in the heat of the Industrial Revolution could believe in the ability of psychology to remedy the situation that industrialism has created. Science has enslaved the human being, but it cannot by analysis remove the pangs of enslavement. The psychologist can only reiterate in concise terms what have been the impulses of men of sound instinct since the

beginning of history. It is true that psychology can render service in the re-adaptation of the individual to new environment. It can assist the co-operation of effort and the distribution of energy. But these are the tasks which have called through the ages for the touch of human leadership. The inexact sciences can only remind mankind of the qualities in which the times are lacking. Moreover, there is usually a dangerous egalitarian assumption in modern psychology. Man is treated in the mass regardless of his individuality. Psychology in industry can only create an artificial atmosphere to replace what at any rate was lost in Mr. Baldwin's business by the advent of the big combination. Community singing cannot seriously break the monotony of threading the same screw into the same cheap axle, when there is no accomplishment at the finish. The rhythmic swinging of axes can hardly ease the burden of the miner who brings coal to the surface at a price which is prohibitive against a depressed Continental standard of living. These, nevertheless, are among the problems that science investigates in order to mitigate the disasters of its own creation. Mr. Baldwin ought to be too wise to applaud expedients. He ought to go down to the roots of the industrial system having seen so much of its growth.

In the heart of industry to-day is "the sigh for the touch of a vanished hand." The responsible leader who has always stood between Capitalism and Revolution is gone. The days of Mr. Baldwin's own business life are passed. Mr. Baldwin has made no attempt to investigate the principles that lay at the basis of the old system and to apply them without compromise. He should know as an English countryman that science cannot cure its own evils, but that the human ruler must control science. Routine in industry, like routine in government, must not be allowed to curb the human will. The leaders will revolt and only the lower clerical type will remain to face the disasters. It is a platitude to say that "the real enemies are overwork, under-payment, insecurity and bad con-

ditions." It is equivalent to maintaining that there was no other cause for the Great War than the murder of an Archduke in Central Europe. At bottom the real cause is the resentment of a free people to mass treatment and mass distrust. Neither science nor Mr. Baldwin's generalisations can adapt the old high standards to the new mass conditions. The old values, however, if pursued even to the point of revolution would overcome the disastrous modern conditions.

Mr. Baldwin finds himself forced to address societies in public, with whose objects he does not agree in the seclusion of his own home. He toys with democratic societies and uses them as lecture platforms much as the late Lord Balfour used to do. In that lies his dilettantism which is incongruous in a man who professes to have inherited peasant wisdom. The statesman should remove causes and not busy himself with palliatives. Merely to deliver an address to the Salvation Army is waste of time; to remove the slum in which it works is practical politics. The only dignified course, if the latter is impossible, is to retire. Owing to the impotence of modern democratic leadership, Mr. Baldwin has forced himself into a position where he would have to retire in order to save his dignity and his peasant wisdom. He is forced to a Celtic appreciation of science and affairs. The confusion of the times has matched the confusion of his own make-up. The forces that moulded the Industrial Revolution have evolved in politics a system that defies statesmanship and urges insincerity. Mr. Baldwin is the dupe.

The nation thought after the War that to achieve a peasant leader it merely had to elect one. It forgot that it possessed this system of government that would repel a real leader and transform any other well-meaning figure into its own shape. That was why when the country wanted an honest product of the Industrial Revolution it received a rather awkward squire. A profession about keeping pigs induced Mr Baldwin to allow himself to be stage managed

into the guise of a farmer. It was an undignified piece of propaganda. The discriminating Englishman soon discovered it. When Mr. Baldwin became Chancellor of Cambridge University the same dilettante approach to life was manifest. People tried to picture as a don, a man who was hopelessly confused in his own mind; the Tory leader by instinct who had then proved himself to be an inveterate Liberal in intellect. On each occasion the real personality was hidden. The public never pictured the man who knew and admired the old shepherd with the face like a pippin; or who had looked into the country of the Marches while his chimneys smoked away to the East. The indigenous person from Worcestershire would have been the more worthy in either position if the times had allowed sincerity. As it was, only a man with Celtic blood could have allowed himself to be so fooled. It is inconstancy to purpose that holds the Celt from destiny.

Mr. Baldwin has never, despite his many speeches on England, seen industrial society through the eyes of the local Englishman. He has not been fully conscious of the liberal tendencies tearing away the fabric of civil society. He has never differentiated between the individualist within the political system, the English liberal; and the individualist outside the system, the Celt and the Jew. If he had, the pose about England and Worcester would never have come into his head. Had he been pure bred he would have experienced a greater intensification of strength and imagination. The old proverb that whoever talks two tongues is a rascal remains profound. A mixture of blood in a person increases the instincts of self assertion and lessens the more aristocratic virtue of gregariousness. That produces the cross bred superman of liberal periods. A mixture of blood in society, where no one strain is paramount confuses the relations of human intercourse. The results are inevitably carelessness and scepticism, and the belief that right and wrong have no real existence but are creatures of human opinion. That is the position of political society after a

century of trading, industrialism and *laissez-faire*. The old political labels, Conservative, Liberal, Labour, National, International and English have been reduced to a stage where they signify nothing. Reason and argument have been rendered inconclusive by the absence of thoroughbred dogma. The world of politics surges with ideas. The heritage of liberalism has been an age ruled by opinions compressed into as many compromises as there are committees. It is interesting to see Mr. Baldwin subjectively. He summons to his aid all the abstract notions of honesty, morality, love and brotherhood to stay the drift. He poses subconsciously after the English peasant who typifies the greatest contrast to modern society. He admires the aims of English polity but he remains a Macdonald. He compromises compromise and the result is still a negative quantity.

Had Mr. Baldwin understood politics from the English point of view, he would probably have achieved supreme eminence. He is still the most important figure in the English provinces. He has failed by bowing before individual opinions and reverencing the heterogeneous central government. He has changed his course on occasions before the opinions of the late Lord Birkenhead and spoken of "Winston Churchill's hundred horse-power brains." He achieved office as the Scot always can, and then forgot that he had been selected by an age that was beginning to fear the expert and the individual. Mr. Baldwin can seldom have benefited from those gentlemen's advice, and only consulted them when he mistook technique for right and wrong. He forgot that technique was only a means to an end. They possessed the languages but Mr. Baldwin from Worcestershire should have known what principles to express.

For lack of a thoroughbred outlook Mr. Baldwin has become an awkward and an inferior person. Careerists and men of superficial intelligence have overshadowed him. The carrions and exploiters of the post-industrial revolution have pretended to know more than the child of the

system. Such men would not even have impressed his father. It was a confident man who had built the little church, the school and the vicarage at Wilden and endowed the former with its Burne Jones Windows. All the while the machinery rumbled on. Mr. Alfred Baldwin had encompassed intellectually the significance of his own machines. When the present Mr. Baldwin came to power the age had outstripped the mental equipment of all but the Birkenheads. The local employer and the territorial magnate had retired to the provinces. Mr. Baldwin was on the point of leading them when it became apparent that his Celtic blood in the pre-Raphaelite past had confused him with a false sophistication. The whole political strength of England was nearly at Mr. Baldwin's feet.

Mr. Baldwin reveals his cultural confusion in his attitude to history. The dangerous Celtic idealism runs to romance. Even his attitude to Worcestershire is essentially pre-Raphaelite. He shows the working of his mind in the most typical utterances. Langland lying on the slopes of the Malverns is the easy and gracious picture that appeals to him. Bewdley as a sanctuary town enchants him. The vision of Owen Glendower is magnificent, but the thought of making Mr. Lloyd George Warden of the Marches amuses him. There is perhaps political significance in the fact that Owen Glendower was repulsed by Edward I, possibly England's greatest statesman, and the English polity, which descended from a royal past, was almost completely destroyed by Mr. Lloyd George. The fact remains that Mr. Baldwin is confused. Glamour to him is not in the movement of battle but in the stillness of memory. He hankers after the Victorian view of history.

The cruel Industrial Revolution is still taking its toll. The disillusionment of the pre-War sense of security has been completed but its cultural values linger. The Idylls of the King showed that the mind could not face the real facts of history. Gilded barges gliding down moonlit lakes, and Gothic castles were more peaceful than Knights en-

trapped in their armour expiring on the fields of Agincourt and Flodden. The wider sentiments still remain. The tradesman of the nineteenth century losing the use of his limbs on an office stool saw himself mirrored in Sir Galahad because at least his heart was pure. The Boy Scouts and the Salvation Army still mark this sugary valour, this heroic palliation of family decadence. The rounded forms of the pre-Raphaelites betrayed the ugliest moments of the Industrial Revolution. Even to-day, wracked by the squalor and misery of the slums, tired bodies concentrate on the refreshment of the soul. Morals still overpower the aesthetic senses and the only beauty is found in romance. The false values of the Industrial Revolution remain over in the League of Nations mentality. There is not even the noble conviction of the Victorians and Edwardians who thought they were posterity for whom the forests had turned to coal and of whose evolution history was the account. Public opinion to-day is timid, snivelling, nihilistic and merely obstinate to acknowledge disillusionment. It was after the rude awakening of the Great War that the nation called for an honest gentleman who had shared its illusions as a boy. It found a man who had experienced the transitory nature of its materialism and had enjoyed the gauged depth of sentiment in its culture.

Mr. Baldwin has been erroneously compared with the late George Wyndham. George Wyndham wrote: "Party politics leave me cold. But the countryside of England and the literature of Europe make me glow." Both men may have used the selfsame words, but the spirit behind them was different. To the one history was not a romance but a living struggle, he was so thoroughbred that he sacrificed his career rather than face a compromise. Party politics broke George Wyndham. His personality was too strong for democracy. He never became Prime Minister. Mr. Baldwin, on the other hand, has accepted the call and stooped to moralise to a worn-out public for over ten years.

What has been called the enigma of Mr. Baldwin is quite simple of solution. His peasant sense of reality has been overcast by Celtic sentiment. He has possessed no centre from which to judge the system that he typifies. He has remained as confused by the conflicting standards of liberal industrialism as the embarrassed age that called him to the front. He has found no clear, concise axioms behind the haze of Service and Duty, which he thought epitomised his Worcestershire world. Progress has impressed him merely because it impressed the other heirs of the nineteenth century. He has read history and awaited the next phase, regardless of the fact that he was the statesman by whom history should have been written. He has been nervous, and realised that the world must reassess its values. He has recalled the lessons of the Industrial Revolution in the twilight of prosperity.

“England! Steady! Look where you are going! Human hands were given us to clasp, and not to be raised against one another in fratricidal strife.”

## CHAPTER II

### WIDENING INTERESTS

WHEN Mr. Baldwin left Harrow he went to Trinity College, Cambridge. He was there during the mastership of Dr. Montague Butler. In that large college he retained his individualism without aspiring to the corporate honours of University life. The natural indolence resulting from an only childhood was probably not moved by ambition during his University days. He did not take his University career seriously and professed to regret the fact in later life. On one occasion he said:—

“If there is one thing more than another of which I feel ashamed to-day, it is to think how I, with the chances I had in youth—and I venture to think with the capacity to take equal advantage of them—wasted so much time when I was at the University and failed to follow in the footsteps of those who had gone before me with far less advantages. But these things come home to us as we get older.”

Mr. Baldwin once raised his voice in debate, but only within the walls of his own college. He is reputed to have been caught smoking his pipe in cap and gown, and to have received the usual punishment at the hands of the proctors. He neither excelled in sport nor in learning but that does not prove that his time was wasted. The benefits of a University life usually come not from the things done but the things which are left undone. He at

least had the opportunity to contemplate the world of affairs around him.

Mr. Baldwin's only vice appears to have been reading constitutional history. It seems strange that such an uninspiring subject should have appealed to a young mind. It perhaps revealed political ambitions. The pride in constitutional forms was very strong in those days. The theory of the sovereignty of Parliament was considered the very perfection of human political wisdom. Great scholars like Dicey wrote at this period unmindful that the subject of their work was planning a transformation all the while. Dicey actually lived to admit it in a later edition of his work. Even Parliamentary government can grow tired and old fashioned. A wide reading of history is a stimulus to the use of the imagination, and a good corrective to "the party man." Nevertheless, Mr. Baldwin at this period would have curbed his highest ambitions within the scope of Parliamentary form.

Distinguished sons of Oxford usually leave their names enrolled in the memories of succeeding generations; at Cambridge men who later attain fame tend to depart unknown. It was in 1888 that Mr. Baldwin came of age and entered the Industrial world. This was seemingly the natural course. He entered his father's business as his father's partner and continued in the firm for twenty years.

During those years the country generally experienced the commencement of acute industrial unrest. It was the result of that period described above as the fungoid growth of irresponsible wealth. The Taff Vale Case in 1903 had been followed by the Trades Dispute Act of 1906. That Act Mr. Baldwin was himself, as Prime Minister, to re-enact. The power of the Trade Unions was on the wax. The strike and lock-out were becoming the weapons of industrial dispute. Mr. Baldwin, however, took a personal interest in his workpeople, and helped to keep peace among them during this period. If irresponsible capital was the cause of Socialism Mr. Baldwin would not have been able to

appreciate it from his own experiences. Industry was to him a family affair. Capital and labour were not distinct and mutually hostile forces. Everybody worked in the original belief that they could attain through the industry a better life. Mr. Baldwin considered it his duty to honour his obligations to his work-people and expected them, in their turn, to take his interests to heart. The unwritten code of trust had not as then given way to the rules of Trade Unions and Employers' Associations. Liberalism was only threatening to create mistrust. The corporate business in which both masters and men had a place had not entirely passed. Soon that wonderful system for utilising the resources of nature with the minimum of human friction would be unknown. Mr. Baldwin started as a young man under the old conditions.

During the South African War, Mr. Baldwin's father paid the subscriptions to their Friendly Societies of those men who had "served." During the Great War, Mr. Baldwin did the same. On one occasion he paid the wages of his workpeople during a stoppage over which they had no control. The strike was actually in an allied industry. Speaking in the House of Commons in 1925 he recalled this incident. He said:—

"I remember very well the impact from the outside world that came on us, that showed how industry was changing in this country. Nothing had interrupted the even tenor of our ways for many years, until one day there came a great strike in the coal-fields; it was one of the earlier strikes and it became a national strike.

"We tried to carry on as long as we could but, of course, it became more difficult to carry on, and gradually furnace after furnace was damped down and the chimneys ceased to smoke and about a thousand men, who had no interest in the dispute that was going on, were thrown out of work, through no fault of their own, at a time when there was no unemployment benefit.

MR. BALDWIN

"I confess that the event set me thinking very hard.

"It seemed to me at that time a monstrous injustice to these men, because I looked on them as my own family and it hit me very hard—I would not have mentioned this only it got into the Press two or three years ago—and I made them an allowance; not a large one but something for six weeks to carry them along, because I felt that they were being so unfairly treated."

This is but one incident where Mr. Baldwin had shown himself actuated by a high sense of duty and a belief that the righteous would come into their kingdom. The idealism was perhaps dangerous that lived in the conviction that others would do unto you as you had done unto them. Nevertheless, it was right to confine his responsibilities to his own dependants. Mr. Wickham Steed, writing on Mr. Baldwin, has said that "he hardly foresaw how the process of industrial mechanisation and amalgamation would work themselves out, or felt that clear forethought was as urgently needed as rightmindedness." That is untrue.

In this speech delivered in the House of Commons on March 6th, 1925, Mr. Baldwin showed that he had clearly foreseen the calamities ahead, and in a detailed psychological analysis of the situation confronting industry displayed the clearest forethought. Forethought, however, is of no avail without the means to enforce a remedy. Rightmindedness in the circumstances is a far more valuable contribution to the situation than a Royal Commission which under Parliamentary government appears to be the only alternative. Mr. Baldwin was in a position to see that these growing organisations of masters and men were bound to clash. Such titanic combinations of money slaves and industrial exploiters could not long exist within a nation without bringing the entire community to starvation. To-day that threat is so menacing that the strike and lock-out are probably dead as political weapons. If Mr. Baldwin is judged as an industrial leader his attitude has

only been that of an experienced and practical man. He has known the causes, which has been more than most people have known, and no one has known the remedy. The fool has shouted, do something practical when he has conceived something intensely unpractical. Mr. Baldwin can be criticised as a statesman, since as a statesman he should have known the remedy, discovered the practical course, or else retired.

Working under his father as a young man, Mr. Baldwin had respected the traditions that governed his own business. The real handicap to industry is that traditions have not, as a rule, the opportunity to arise. Mr. Baldwin learned early that ethical considerations applied to trade as well as to the other walks of national life. He perhaps did not grasp that tradition was the safeguard of ethics and morals the result of custom. He had witnessed as a practical act his father's contribution to his employees during the South African War and he, as was seen, had done the same for the men of the West Worcestershire Division during the late War. No individual could perform a more practical act towards public good feeling. When Mr. Baldwin was Prime Minister with a huge majority after 1924 he never made a contribution that was half as practical. Acts of individual understanding and endeavour saved the nation from the General Strike while he and Parliament were powerless. The individual attains to heaven by his own exertions. Parliament was not designed to assist him. Mr. Baldwin knows that he can be more powerful and effective as a local leader than he can as Prime Minister. When 3,000 Oddfellows representing 14 Lodges presented him with a silver rose bowl he gave the soundest advice that has fallen from the lips of any public man this century: "Cherish the spirit of the Friendly Society," he said, "for in it lies the possibility for restoring the nation to material and spiritual prosperity." His own words at Stourport in February, 1924, must be repeated as crystallising his experience in these early years of business:—

"It is not wasting words to try to realise what the great Friendly Society movement stands for. Like many other things it is of pure English growth and owes its origin to the common people, from whom many of the best things we possess come. It springs, as it were, from the soil, and has been a great instrument during a period of rapid change in instructing our people in some of the greatest of the principles which guide their lives, as well as in branches of work and learning in many subjects in which they could have no other teacher.

"Immersed as my life has become in political work, I am glad that in the Friendly Society movement we know no politics. Politics have such powers of penetrating most things that I am thankful that this movement has never been captured by any of the political machines. And I hope its leaders will see to it in the future that it remains a thing apart.

"A man entering a court or lodge gets his first insight into the common problems of Government; learns to control himself by working with others; and learns to work with others for the benefit of others, and to exercise discrimination and judgment. I have also seen how the savings of the many can be utilised to fertilise public services and the social activities of the country. The whole spirit of the movement is service for others, a spirit which is more wanted in England, and in every other country of the world to day, than any other; but because of the great influence and position of our country there is no other in which the spirit needs to be more manifested, since the greater part of mankind looks to us as the one country which they hope and believe will set the example to the world in the stability and probity of its finances and in its willingness to be of service to the rest of the distracted world. By teaching our own people the spirit of service which the Friendly Societies inculcate, we are playing our part in making our democracy fitter

and nobler, and by doing that we are not only helping ourselves but the whole world."

An analysis of these words reveals four vital observations based on Mr. Baldwin's personal experience. First, that the structure of society to be permanent must be of pure English growth; that real leadership and real action are the outcrop of a solid racial seam. Racial pride is the only effective curb on self-interest, for which every industrial scheme this century has broken down. The unpatriotic diffusion of individual energy has undoubtedly placed England at a disadvantage compared with those continental countries that have been forced by disasters to become gregarious. Mr. Baldwin realises that the group of men which helps each other helps the State, whereas the individual who helps himself disintegrates the State. The tragedy is that the abuse of race interests has caused a material advance that has concealed political decadence.

Secondly, Mr. Baldwin observed that disaster must overtake any society which became attached to a political party. This must now be the experience of the T.U.C. and certainly has been of the House of Lords. The former has paid for the follies of Socialism, the latter has lost its prestige by taking the Conservative Party's "Whip." In the one case the guardians of the people's freedom have become a revolutionary factor in the State; in the other the leaders in disinterested public service have been systematised into a mere section of the Constitution. If any axiom hangs on Mr. Baldwin's observation it is that organised opinion destroys a natural catholicism in political life, and that the sectarian bias is bound eventually to destroy the sect.

In the third place, Mr. Baldwin realised that the Friendly Society was a means of teaching the humblest citizen to shoulder the burdens of administrative responsibility. Delegated and localised power represents greater political energy in a community than centralised government.

Dependence on the paternal power of a central government represents a return to the patriarchal state, which marks the loss of political impetus in a nation. Mr. Lloyd George sounded the death knell of the Friendly Society and the Trade Union by his National Health Insurance Act in 1911. Having removed the administrative duties from the leaders of labour to the State, the only task left to the Labour leader was political agitation. The finance and organisations of the Friendly Societies and the Trade Unions came under direct political control and powerful leaders could be bribed away from their own districts by the lure of a political salary. In localities less paternally cared for than Mr. Baldwin's the ordinary citizen lost his only opportunity of ventilating his grievances. The very character of the voluntary organisation was changed and the natural leaders, from being men of local standing and influence, became salaried clerks who were as often "carpet baggers" as the Parliamentary representatives themselves. By the degrading process of stamping cards the social structure of England was undermined and only the Insurance Companies have reaped the benefit. The Friendly Society may well grow up in a new form while the fabric of Whitehall breaks away. Scientific government can overleap itself in the same way as the peasant in some parts of the world is following a primitive plough in sight of scientific cultivation. If any force attacked the capital of the Insurance Companies sunk in municipal loans and overseas investments, mass starvation could well be the alternative to the pauperism of the thriftless and the indigent, who gave Mr. Lloyd George his power. Mr. Baldwin recognises the importance of local independence in politics.

In contrast to this depth of understanding Mr. Baldwin's fourth observation is hard to reconcile. "By teaching our people," he said, "the spirit of service which the Friendly Societies inculcate, we are playing our part in making our democracy fitter and nobler. . . ." The whole idea is nebulous. Here was one of those loose dicta about democ-

cracy which meant nothing. It was democracy which smothered the Friendly Society; the two were not compatible. Individual responsibility could not be reconciled to the "carpet bagger," the panel doctor, or the education official. Either the spirit of the Friendly Society or democracy had to perish. Mr. Baldwin had learned from experience that beyond the spirit of the local self help was chaos, but perhaps his respect for constitutional development led him to tolerate the new centralised administration. So far as democracy is concerned Mr. Baldwin has always thought the half greater than the whole. He would not be so glib in his praise if he realised that what he most disliked was only the logical fulfilment of that system of government.

Mr. Rudyard Kipling has said of his cousin that he was "not a politician but a good Conservative." Mr. Baldwin is a Conservative of the old type, now almost extinct. He has never received his salary as a Member of Parliament. He has not looked to the Party to protect his own particular vested interests. He has never used the modern system to its full capacity. When he speaks of democracy he speaks of a phase; the phase he knew in these early days, when democracy was not existing but creating. It took three quarters of a century from the passing of the Great Reform Bill for democratic government to materialise. The Duke of Wellington was not so much wrong in his warning of 1832 as premature. When Mr. Baldwin formed his ideas on the Constitution and on democracy he was in the intermittent period; he cannot have thought clearly enough to appreciate the causes working out to their logical effects. He would not have seen that representative government did not represent minorities, who were at times the most important sections of the public. He subscribed to the Conservatism of the strong "party man." That is a commonplace, but not an intellectual attitude. Loyalty to a sect is virtuous, but more dangerous politically than disloyalty. The loyalty of the Socialist to his Union is

equally praiseworthy, but also dangerous. Mr. Baldwin cannot seriously respect a system of which the logical result is sectarianism; with the final achievements of Parliamentary government all loyalty became mere subservience to anarchic opinions.

In 1906 Mr. Baldwin contested Kidderminster. The Tariff Reform election in a provincial town has now become an almost romantic moment in English history. In those days the old party system still controlled the opinions of the people. Liberalism was only achieving and democracy was growing. The returned Member became a man of some standing who could play his part at Westminster with effect. There were local problems he could deal with in those days and not the vast national problems over which even the Cabinet has little control. The election of a candidate would rouse the highest passions of the opposition. It was a matter of importance to most people which way the scales should turn, since to a nation of traders whose supremacy was unassailed an election could mean a difference of from ten pounds to a thousand. At that time opposition was considered healthy. The idea of allowing one board of directors to oppose another had not crossed men's minds. England made her fortune without shame. Women were only onlookers, and awaited their men-folk, who even fell to breaking windows in the streets.

Of the townspeople many had come newly from the country and carried a freshness in their demeanour; the long rows of red villas had not begun to ooze with grime. A close elevation of chimneys up the hilly streets often fell against a background of rich English parkland. The polls were announced in market squares from the Georgian porticoes of old-fashioned hotels. If any building was pretentious it was usually the Town Hall, whose pseudo-Gothic lines displayed the name of some pious benefactor. Such was the setting of the General Election which from being a happy diversion in the nation's life has now become a public nuisance.

The worst feature of these elections was the descent of the candidates to the level of their electors. A high standard of manners ought to be considered an achievement and not prostituted to the vagaries of a voter. "We are a little gathering," Mr. Baldwin said on one occasion, "of Worcestershire people, here wholly for the benefit of Worcestershire and we do not care "a little tuppence" about people outside. We are going to talk about ourselves." From a man who did not utter banalities in his own home such language was an example of the asphyxiating effects of democracy on standards of taste. It is as destructive and nauseating as penny journalism. Mr. Baldwin, however, looks on this aspect of democracy as a game. As he admitted in a reminiscence of this Kidderminster election that "from the time the whistle blew to the time the poll was declared there was riotous, rollicking fun." There was the old man in the corduroys who sat in the middle of his kitchen in his shirt-sleeves and refused to utter a word. There were the crowds of people who rushed drunk to the poll at 8 o'clock and no one knew which way they had voted. The proper sense of proportion seems always to have been on the part of the electors; the subject, or rather object, of election required a strong sense of humour to tolerate a process so fantastic. Party politics have broken many powerful personalities, who would have become leaders with other opportunities than the hustings. Mr. Baldwin is not now enamoured of party politics. He knows them more intimately than he did in those days. He looks back on the old election nevertheless with his usual reverence for the antique.

Protection was the cause of Mr. Baldwin's first defeat. He failed at Kidderminster in the large company of rejected tariff reformers. Of the outsiders who had spoken for him one had been Lord Carson. No oratory however could withstand the cry of "cheap food" and Chinese slavery, and England took the wrong turning at perhaps the most momentous cross-road in her history. Mr. Baldwin's next

attempt was a more dignified affair. His father died in London in 1908. He was almost immediately adopted as candidate for the vacant seat, and within two years of his first defeat he was representing West Worcestershire which his father had held since 1892.

At one of the meetings during the campaign the chairman expressed the opinion "that with so many carpet baggers going about then, he thought West Worcestershire was lucky."

Mr. Baldwin was an ideal representative for his father's constituency and had merely to follow in his father's ways. Action counted for more than words and his record was honourable. For nine years he had been on the Worcestershire County Council. The audience at one meeting pledged him their support since "they had known Mr. Baldwin as a successful public man; they had tried him and he had proved his worth." He had taken the wise precaution of confining his energies to a limited sphere and making his position where it was the most valuable. It is often harder to be appreciated on a parish council than to rule an Empire from Whitehall. In the former case the powers of showmanship are of no avail. Mr. Baldwin had made his first speech in opposition to a local sewage scheme which was long overdue. He had first performed simple duties and left high politics to their own devices. He had made no fame for himself publicly, but had learned a wealth of political experience of a provincial nature. People are apt to forget in modern politics that centralisation has never shifted the source of power. London is still the mere reflection of the unobtrusive provinces.

From a quiet family life Mr. Baldwin came to London eager but self-assured. He had a position in Industry. His name was known in the shadow of the cathedral of his county city. No man could ask more of political fate. He had little need to assert himself or to thrust himself to the centre of political circles. Like his father he need only speak on subjects with which he was well acquainted.

There would be occasions on which he was as well informed as any other member of the House, and for the rest he could afford to move on the fringe of political society steadily sucking his pipe. When the ambitious made their orations and turned their epigrams, the Member for West Worcestershire could make a simple and unadorned statement of the case. He had no need to regard his audience.

The late Mr. T. P. O'Connor once said:—

“For a long time after his entrance into the House he was probably unknown even by sight to the majority of his colleagues. He sought the obscure seats and avoided the seats of the mighty. He did not try, as many of the young and the ambitious do, even the apparently small conspicuousness of the corner seat. . . . He was not playing a game—there was nothing in him to suggest a man playing any game—but that was just his temperament. He did not crave for notoriety or for plaudits; he almost exaggerated the part of the humdrum English man of business who had his job to do and did it unostentatiously and thoroughly and left the rest to time.”

This testimony is borne out by Mr. Baldwin's diffidence and silence over long periods of his early years. Nevertheless, he put his point of view with such courtesy that for these rare occasions he won the earnest indulgence of the House.

Mr. Baldwin made his maiden speech on June 22nd, 1908. He spoke on the Miners' Eight Hour Bill. He told the House how he had been beaten at the General Election by the cry that the country should take care of the consumer and the producer would take care of himself. He wished to reserve the freedom of local and individual decisions, and informed the House that an eight hour day already existed in the sheet rolling trade where there had been no dispute for twenty years. He was on his own subject and understood the case he had to develop. He felt

that a demand for higher wages must follow and even ventured so to prophesy. That demand would come at a time of falling trade, and it was quite possible that the first result of the Act would be to plunge the coal trade into a serious state of strife. With subtle humour he confessed his inability to define his own position. His ancestors had been masters, then employers of labour, now finally he was himself a capitalist with an abusive epithet attached.

Mr. Baldwin's humour was significant. It revealed the movement of labour from status to contract and back to status again. Labour is first capable of dominion and has a responsible master and security; later it becomes contractual and acquires the derogatory position of a commodity capable of employment. Mr. Baldwin probably did not realise that when this commodity became cheapened by the laws of supply and demand, labour would have to maintain an artificial status in order to avoid slavery. The Trade Unions understood the position in 1908, and so the capitalist or irresponsible dealer in this commodity became an object of abuse. At that moment Mr. Baldwin feared lest these Unions should lose their own supporters. People would say that the miners were passing this measure without any regard for the interests of the commonwealth. His advice, however, that the miners were taking advantage of a position as a rich, well-placed Union was greeted with ironic cheers from the confident and growing Labour Party.

In his concluding remarks Mr. Baldwin touched on a collateral and equally dangerous development of the times. He confessed that in his short sojourn at Westminster he had been much struck by the experimental nature of legislation. The Government claimed that this was an experimental Act. They had been told that the Territorial Army was only an experiment; likewise the Old Age Pensions. Mr. Baldwin had detected here the insidious influences of Fabianism referred to above as the obtaining of posts for a parasite class. Every innovation required

administrators, and every experiment crystallised shortly into a permanent bureau. They comprised a standing tax on all production. The drone population had of its nature to increase and swarm over the hive of basic industry. Mr. Baldwin was alarmed by the rash departure from all the sound tenets of finance he had learned on the County Council. He could not appreciate that he, as an employer, could not be trusted in his own locality "to play the game." Legislation was not required to teach him common honour. He forgot the irresponsible capital that was ready to sweat its wage slaves and the Miners' Union knew the facts and was growing into strength. It was a remarkable maiden speech, but the dice were loaded against it. It is a pity that a maiden speech of such sagacity should rank low in common judgment beside the more embroidered rhetoric that so often is applauded. The Member for West Worcestershire had endeavoured to put the price on "cheapness," to foretell the doom of the T.U.C., and to deplore the increase of centralisation. England has witnessed the results of two prophecies. She may yet see the break-up of Whitehall and the eventualisation of the third.

On March 17th, 1909, Mr. Baldwin spoke as a tariff reformer; a role that during his career was to foreshadow both leadership and defeat. He moved a resolution to deplore the use of British capital abroad owing to the unfair competition of foreign producers and the high tariffs of other nations. Having no deep-rooted political beliefs, Mr. Baldwin is never forceful, but with a specific policy, in which as a practical man he believes, he carries conviction. He challenged Mr. Lloyd George on the "robbing of hen roosts" that strangely British modification of Lenin's exhortation "to rob back that which was robbed." He deplored the weight of taxation and the permanent levy of capital by death duties. At this moment Mr. Bonar Law must have seen his own ideas mirrored in the mind of the new Member. Such a speech was of vital moment to the career of any newcomer to the Conservative Party.

Mr. Baldwin continued by saying that he considered Mr. Lloyd George to be rolling a rock at random on the mountain side. He would miss the Westminsters and Rothschilds and only bring havoc to the poor people in the plain. Such remarks were then only conspicuous by the dogged obstinacy of the Liberal Government to be convinced. Their heads thrust deep into the sand, they were complacent with the havoc they were causing, to-day, with shipyards closing, foreign investments contracting, life insured against every risk of living and a wealthy class with mass tastes and bourgeois habits, Mr. Baldwin should look with quiet satisfaction on our present disasters and bear hatred in his breast for the Liberal opportunists who refused his warnings. To-day there sit beside him in the Cabinet of a supposedly National Government several of their number. When William the Norman consolidated England he harried the North and put to the sword the men who had betrayed Harold to give him the victory at Senlac. He reasoned that men who could not serve one king could hardly be trusted not to betray another. There is no reason for suggesting that the nature of perfidy has changed in 800 years, or that the traits in Liberalism have changed in thirty years. Mr. Baldwin insists on forgiving the renegade Liberal as if, up to the Great War, he had known not what he did.

For three years Mr. Baldwin was comparatively silent. He maintained his father's custom of only speaking when he could be of use to the discussion. He confined his attention largely to bills that affected the railways or his own branches of industry. He had for some time been a director of the Great Western Railway.

On June 12th, 1912, he came into the open again after the Port of London strike and spoke on the protection of workpeople. As a business man who had been responsible for the management of a large number of men, he had never experienced a strike or lock-out. He felt convinced that the damage done by strikes was irreparable to com-

merce and of no permanent advantage to the men. He professed to approve the principle of collective bargaining between Trade Unions and Employers. To go so far was inevitable since the flood of Trade Unionism was in full spate and no force could dam its progress. Mr. Baldwin, however, again put on record the inevitable results of uncontrolled progress. "In these days," he said, "when we are governed so much by a cheap Press, when we are governed so much by impulse, and when few of us have time to think, it is the impression that gets at large among great bodies of men that may overflow as it were the banks of our civilisation and carry all before it." The banks began to crumble under the strain in 1926 when he was himself Prime Minister. The ease with which ideas could be communicated to large organisations without the independent judgment of the country labourer to discern right and wrong, was the first portent of revolution. The necessity was then (and still remains) for a time lag in which people shall have the opportunity to think.

In July, 1913, the question of Welsh Disestablishment came up for consideration. Mr. Baldwin spoke as a good churchman, but with his usual regard for the religious scruples of others. With a little self-consciousness he again excused nonconformity. He plausibly explained that the dissenter's aim was merely to find, or create for himself if he could not find it, an environment in which his spiritual growth might attain to the greatest measure that was possible. He was misrepresenting the case, by understating it. The dissenter seeks an idealistic environment because to his real environment he is inferiorly adapted. He has neither the character nor the culture to maintain his position. Religious dissent is usually political in cause, which is the more unforgivable as it shows an intellectual confusion between morals and religion. The *Mayflower* did not advance to something higher but retreated from something already high. The Baldwin family did not remain Quaker after the environment of the Industrial Revolution had become

congenial. Those who receive good of the kingdom are usually ready to join the faith of the King. Nevertheless no religion should be established unless it can embrace the highest type of citizen.

In Wales these principles are not strictly applicable, since culture is a racial product. The higher type of Welshman is invariably a Liberal and a nonconformist, notwithstanding the fact that the converse is true of England. A sense of inferiority in Celtic countries is a racial and not an individual concern. Edward I was among the few great statesmen who had a respect for the intensity of local patriotisms, provided they had been reminded to put the right assessment on their own worth. There is no harm in conquest but infinite evil ensues from attempts to impose alien cultures. It is the difference between a crusade and a mission. The Reformation wrought havoc in Welsh tradition. With the loss of her rich monastic endowments, she became devastated and plunged culturally into a dark age. Her traditional education was removed to the well-meaning hands of the puritan fathers of a later age. By obliterating her traditions she suffered a renaissance with all the attendant disaster of Liberalism. Nonconformity gave back to Wales her tongue, her culture and her traditions, after they had been all but obliterated by the established church. Half the genius of England has been reared in the vicarage—the same was certainly not true of Wales. Such a contradiction shows the absurdity of political theory divorced from racial experience. England has heaped the coals of fire on her own head and paid the price in Celtic reason. She will starve honouring her debts incurred in modern education which the real English do not appreciate. England conquered with the sword to be reconquered by dialectics. A good Tory should have voted for disestablishment for Wales; he should always foster local patriotisms which strengthen instinct at the expense of reason. That is a manner in which a sense of inferiority can be overcome.

Mr. Baldwin, however, was the last person in 1913 to study deeply the science of politics. He was first and foremost a man of business; and much more concerned with the subject of endowment than the protection of cultures. Disendowment (so ran one shallow argument) would bring tribulation and from tribulation an active church militant might arise. The argument did not impress Mr. Baldwin and he duly interposed, that "it was one thing to do good to your own soul by renouncing your worldly goods, but quite another thing to do good to another man's soul by taking away his goods."

On June 25th, Mr. Baldwin returned to a subject that he was better suited to discuss. The Finance Bill of 1914 wanted the criticism of a practical man. There could have been no experienced person who did not view with alarm the increase of expenditure, which the Government's policy threatened. In attacking Mr. Lloyd George, Mr. Baldwin laid down three important canons which in his opinion a Chancellor of the Exchequer ought to observe. First, he considered that it was a whole time task for a competent financier. "Many a time England had had a chancellor who knew nothing of finance, but never had she had one who thought there was nothing to know." Secondly, he thought that the Chancellor ought not himself to be "the originator of and plotter of expensive social legislation." Thirdly, he considered that it was impossible to continue government with a chancellor who travelled about the provinces making propagandist speeches.

It was obvious that Mr. Lloyd George's social expenditure would fall as a further tax on production. Every civil servant, every imbecile, every unemployed person would have ultimately to be supported by the man who remained at work. As soon as they became removed from the charity of a definite locality where they could be a source of shame, they would multiply indefinitely to burden the anonymous charity of the State.

It was during that debate that Mr. Asquith asserted that

expenditure must become higher under the pressure of public opinion. It was a frank confession, and Mr. Baldwin replied:—

“It is of the highest importance that men who occupy great positions in public life, and who call themselves leaders of the people should really be leaders of the people and not wait for pressure to be exercised on them from outside.”

The remedy was harder than the diagnosis. Mr. Baldwin was himself to fall a victim to this inevitable trend in years ahead. His suggestion then was that statesmen should point out from the platform with equal candour the disadvantages that would outweigh the benefits of this expenditure. That was pure idealism in the circumstances. It was not practical, because self-opinionated advocates before a tribunal of self-centred judges were bound to beget a biassed verdict. The parties stood in the way of truth because they would only agree to a compromise which never happens to coincide with truth.

The democratic system works in the countryside because the agriculturist is still an unbiassed judge of economics. The townsman who lives on tinned, and often ready cooked food which he sees growing in overproduced plenty on the films cannot gain the same experience from economic textbooks. Even these books will be more concerned to perpetuate the system than to save the nation. The statesman who speaks the truth must be sovereign with the power of the father in the family to say who shall eat and who shall starve. This is no archaic theory but the last truth in politics short of extinction. Mr. Asquith had admitted the collapse of democracy; by prophesying increased expenditure, he was foreshadowing Russia and Italy by his confession. Of the Rake's progress of centralised squandermania the Member for West Worcestershire had warned him.

It should be clear that at the outbreak of the War, Mr. Baldwin was among the most straightforward figures in English politics. Consistently sound, and a man of experience, he left the higher flights of statesmanship to men better versed in their understanding. Apart from the question of Welsh Disestablishment and Home Rule he had not spoken off the subject of industry and finance. He was forty-seven years of age and already director of seven companies. The nature of them gives some idea of his position. The companies were Baldwins Ltd., of which he was Vice-President, The Aldridge Colliery Company, The Great Western Railway, The Gloucester Railway (and Wagon) Company, The Alexandra (Newport and South Wales) Docks and Railway Company, the West London Extension Railway and the Metropolitan Bank Ltd. These represented a closely confined core of interests that went near to the roots of industrial Britain. It is true that to a certain extent Mr. Baldwin's position was the result of nepotism. Nevertheless, when people after the War exclaimed their desire to be ruled by business men, it is hard to imagine what they considered they had in their Prime Minister. He was not even a business man with sectional interests but a master in the basic industries. On analysis, he could be seen to represent the decaying wealth of industrial Britain.

So far as the War itself was concerned, Mr. Baldwin could be of little active use. A quiet, heavily built person of forty-seven could probably render greater services in Whitehall. In June, 1915, he served on a judicial committee in company with Mr. Justice Sankey and others, to deal with enemy aliens. In September of that year he signed a letter to *The Times* advocating compulsory military service. In December he was a member of a committee set up by Mr. McKenna to consider the raising of War Loan from the working classes. In such a manner he occupied his time in the precincts of an overburdened Westminster.

When the first Coalition Government was formed in 1916 Mr. Bonar Law became Chancellor of the Exchequer. His secretary at that time was a certain Mr. J. C. C. Davidson, a young Scotsman who from the time he left Cambridge had enjoyed a political career by a succession of private secretaryships. He had been private secretary to Lord Crewe in the Liberal Government of 1910. He had also served Mr. Harcourt during Mr. Asquith's administration. Mr. Davidson became a personal friend of Mr. Baldwin and was in a position in 1916 to recommend him to Mr. Bonar Law as a Parliamentary Private Secretary. On that and on other recommendations the appointment was made, although Mr. Wickham Steed affirms that it was made on the assumption that he was discreet enough to be "safe" and "stupid" enough not to intrigue. Such a highly bureaucratic point of view did not in all probability really influence Mr. Bonar Law. It would have been a question at that time as to whether he answered the purpose rather than whether he was an eminently suitable person. He obviously would not have become enthusiastic over a man who had been so little conspicuous, but all he could have found in Mr. Baldwin was a repetition of his own good qualities; a sane industrialist, a staunch Conservative and an unassuming personality. It all depends on whether a man is judged intrinsically or in relation to his political appointment. Whitehall is apt to suppress leadership, by judging relatively, forgetting that men are infinitely rarer and more important than positions. Mr. Baldwin, far from being an accomplished person or possessing a forceful personality, was at that moment too self-assured and direct not to be incongruous as a civil servant.

A year later Mr. Bonar Law had to appoint a Financial Secretary to the Treasury. Mr. Davidson, it is understood, again recommended Mr. Baldwin. There was some question as to whether he deserved office or could be trusted to shoulder the burden. If such considerations were serious they are maddening in their futility. If there was a better

man than Mr. Baldwin, that Mr. Bonar Law himself should have known.

That a man of Mr. Baldwin's experience and understanding could soon mould himself into any office should have been obvious. He had already shouldered as important and as responsible burdens as any that were in Whitehall. Questions of seniority, priority or fair play should never arise in political appointments. The statesman should choose instinctively the right subordinates; it is only the lesser man that makes the routine of office an excuse for choosing a lesser subordinate. The works of the clock, however, are of no interest when only the face can be judged.

The fact remains that Mr. Baldwin became Financial Secretary to the Treasury under Mr. Bonar Law and was handed over to Mr. Austen Chamberlain in 1919. Mr. Bonar Law must have approved his steady, plodding methods, his good sense, and his powers of application. On one occasion a story relates how Mr. Chamberlain snubbed him for a minute he wrote on a paper which he sent to his chief. Mr. Baldwin appears to have kept his individuality, a slow-witted Englishman among the twisting office-hunters of Whitehall. The spell of bureaucracy had not by 1919 bound the independence of the Member from Worcestershire.

During the summer of 1919, Mr. Baldwin expressed himself in a document that may yet be considered outstanding in the history of the times. He made a voluntary surrender of £120,000 of his personal estate to the Government. Mr. Wickham Steed was in a position to relate the incident and wrote in 1930 :—"On June 23rd, 1919, a few weeks before the Peace Treaty was signed the Editor of *The Times* received a letter signed F.S.T. (Financial Secretary to the Treasury). Mr. Baldwin's card was enclosed. So little did the Editor know of him that he enquired whether the writer were really a man of weight; and having elicited the information that 'Baldwin is a good fellow' he published the letter on June 24th."

The letter was as follows:—

“Sir—It is now a truism to say that in August, 1914, the nation was face to face with the greatest crisis in her history. The best of her men rushed to the colours, the best of her women left their homes to spend and be spent; the best of her older men worked as they had never worked before, to a common end, and with a sense of unity and fellowship as new as it was exhilarating. It may be that in four and a half years the ideals of many became dim, but the spiritual impetus of those early days carried the country through to the end.

“To-day on the eve of peace we are faced with another crisis less obvious but none the less searching. The whole country is exhausted. By a natural reaction, not unlike that which led to the excesses of the Restoration after the reign of the Puritans, all classes are in danger of being submerged by a wave of extravagance and materialism. It is so easy to live on borrowed money; so difficult to realise that you are doing so.

“It is so easy to play: so hard to learn that you cannot play for long without work. A fool’s paradise is only the ante-room to a fool’s hell.

“How can a nation be made to understand the gravity of the financial situation? that love of country is better than love of money?

“This can only be done by example, and the wealthy classes have to-day an opportunity of service that can never recur.

“They know the danger of the present debt, they know the weight of it in years to come. They know the practical difficulties of a universal capital levy. Let them impose on themselves each as he is able, a voluntary levy. It should be possible to pay the Exchequer within twelve months such a sum as would save the taxpayers 50 millions a year.

“I have been considering this matter for nearly two

years, but my mind moves slowly; I dislike publicity and I hoped that someone else might lead the way. I have made as accurate an estimate as I am able of the value of my own estate and have arrived at a total of about £580,000. I have decided to realise 20 per cent of that amount or say £120,000 which will purchase £150,000 of the new War Loan, and present it to the Government for cancellation.

"I give this portion of my estate as a thank-offering in the firm conviction that never again shall we have such a chance of giving our country that form of help which is so vital at the present time.

"Yours etc.

"F.S.T."

The uninspired person who had seemed rather out of keeping in the corridors of Westminster, had weighed the War up in his own mind. He had seen the country at its best, with politics at their worst. Never in the course of history had a nation paid so spiritually and materially for deliverance. This was Mr. Baldwin's outlet for pent up feelings. The letter was the revelation of someone who realised the intensity of the situation and still possessed sufficient moral sense to weigh money in the same balance as life. He had heard discussed in the Treasury the possibility of a capital levy, and he had revolted against the idea of forcing men to serve their country.

The philosophy behind Mr. Baldwin's action was sound. Tyranny has to exist where the individual ceases to be a free agent in patriotism. England may only realise this if she has to choose between an omnipotent control of misdirected individualism and complete surrender to circumstance. Every nation in Europe is faced with the same problem. Some have solved it while others have thrust their heads deep into the sand. An individual has solved it for Italy, France has solved it for herself. It has been the same story, the choice is between a philosophic

patriotism or disaster. The Liberal who wants the privileges of private property without its sacrifices is the canker on society. There can be no right to live without a duty to support the body politic. Mr. Baldwin provided a unique opportunity for the wealthy classes to reassert the moral of *noblesse oblige*, but they failed to follow his example. Many have lost since in the ignominy of taxation and fallen dividends, what they might have given nobly had they possessed the faith. Public opinion virtually ignored the gesture. The meagre sum of £500,000 reflected an underbred nation. It is fair to assert that from an aristocratic standpoint a peace in Europe had found "the nation of shopkeepers" without a vestige of heroism.

Mr. Baldwin has been accused of idealism in expecting others to follow his example. It has been considered foolish that a good person should spend himself in the service of the nation, when there is no governing force to curtail the renegade who only gains the advantage. There is no outlawry, no forfeiture and no mediæval monarch to draw the teeth of the exploiter. In short, the sacrifice becomes foolish in the circumstances. It is true that Mr. Baldwin actually embarrassed his personal and political position. Not very long afterwards the estate on which he calculated dropped with the fall in industrial securities. Heavy War Loan holders who stuck tight, enjoyed an immense capital appreciation from deflation; the return to the Gold Standard actually profited certain individuals in the State. The worst type prevailed.

This, however, is no reason for considering Mr. Baldwin rash and hazardous. He trusted his peasant instinct and got the right conclusion without indulging in any disastrous ratiocinative processes. He did the aristocratic thing, and made the grand gesture. He had done what the Samurai did when Japan emerged from national seclusion and it was proposed to float a National debt. They put their wealth at the disposal of the Mikado. Only the most transitory view can adjudge the cancellation of War Bonds

as not worth the sacrifice. A failure to inspire a following does not minimise the action. Lone actions will rank highest in the history of a time that was demoralised and unheroic. Mr. Baldwin will never regret what he gave, and only the future, it seems, will lead others to realise the significance of his example in 1919.

. . . . .

The close of the Great War, therefore, left in office a singularly simple and direct personality. Mr. Baldwin's mind was master of one subject and to that he had confined his attention. His pre-war outlook on industry had been conspicuously right. On a moral question he has chosen between the right and the wrong course instinctively. He had avoided the society of brilliant people and preferred to associate with men of the same calibre as himself. He had no profound political faith and no inordinate ambitions. He was not a carpet bagger and was respected where he was best known. He had the saving grace of not doing too much and thinking a great deal. In short he was one of those public-spirited industrialists that the tide of party politics might always sweep into moderately high office.

## CHAPTER III

LORD CURZON

NINETEEN HUNDRED AND TWENTY-TWO was a crucial year in world politics. Since then events have appeared un-deliberate and uncontrolled. Circumstances have overcome the ability of statesmen to withstand them, and the political machine has been found to have mastered its creators. It was after Mr. Balfour's momentary success at Washington at the close of 1921, and the settlement of the Irish question that the tide seemed perceptibly to have turned.

To England at that period the Coalition appeared as the last blast in the storm over Europe and each day was marked by the fall of some dislodged piece of masonry. Unemployment already stood at the alarming figure of two million, which was probably a faithful measurement of the dwindling supremacy of the country, that only munition factories and the other necessities of the War had obscured. The Peace Treaty was alarming nations that for the first time had the opportunity to consider it. Wherever havoc had been wrought distress made itself felt. Ireland, Russia, Germany and the Near East were all in a state of unrest, and for Mr. Lloyd George no sense of the gravity of the situation seemed to exist. He continued to make abortive attempts to attack when the whole political world was in retreat. Perhaps the War increased the tempo of affairs to suit the temperament of the Celt. He found himself at the canter and being on quicksand the only advancement was to gallop. Faster and faster the Coalition Cabinet rushed the nation to an impending doom until the people

swung back in despair. It was the natural revulsion of opinion that destined a man of Mr. Baldwin's qualities to aspire to the highest office in the State.

Sir George Younger (the late Lord Younger) managed to check an attempt of the Government to force a dissolution and appeal to the country. He had a sensational conflict of words with the late Lord Birkenhead. That had marked the commencement of the Conservative revolt. He had been called "the cabin boy" for his insubordination to Mr. Lloyd George. No man at that time better represented the vigour of the old Toryism, and no one was more outspoken in threatening revolt. The Government's remaining card was the conference at Genoa. If they were forced to carry on, they hoped by this means to silence all dissatisfaction.

Mr. Lloyd George's attitude was not so much that of a victorious statesman as of a bankrupt producer with one last spectacle on which to stake his reputation. A conference attended by America, Russia and Germany he calculated would appeal to every section of public opinion. At the same time he would have the chance to stage a return before the gaze of an assembled Europe. So far as the situation was concerned there was little rhyme or reason for the meeting at Genoa, and it should have been as much an omen for conferences in the future as it was at the time an indication of the utter inability of the Government to affect the crisis at home. It was fortunate that this histrionic gesture was frustrated from the commencement. America declined to attend. M. Poincaré grudgingly allowed M. Briand to be present and was himself conspicuous by his absence. Germany and the Soviet entered into the preliminaries of the Treaty of Rapallo and Mr. Lloyd George's dramatic invitation to Russia became for them a diplomatic success. When the Conference sat there was nothing to discuss. Lord Curzon was able to write: "Genoa has now finally collapsed and the Prime Minister is coming back with nothing—entirely his own fault. I hope it will

be the last of these phantastic gatherings which are really designed as a stage on which he is to perform.”<sup>1</sup>

The rift in the Conservative Party widened rapidly. Overshadowing Mr. Bonar Law, Lord Curzon was the predominant figure in the revolt. Unfortunately as it was to appear for himself, his powerful character singled him out as a lone rebel from the rebel army. His arrogance of intellect militated almost subconsciously with the “back-woodsmen” and the mere stalwarts of character. He had a personal complaint that Mr. Lloyd George was usurping to himself the powers of the Foreign Office. The reflection that the Prime Minister was loose about Europe busying himself with doubtful conferences caused him some alarm. To Lord Curzon, who had acquired an almost prescriptive right to high politics, the demagogue’s intrusion from a lower sphere caused indignation. Even Mr. Asquith had said:—

“You have had during these last few years in the same sphere of administration, two authorities speaking with different voices, often pursuing discrepant and irreconcilable policies often with the result that the one that knows less often in the long run supersedes and overrides the one that knows more.”

Moderate opinion championed the Foreign Office and no extremist could condone a dictatorship solely designed to keep in power.

Feeling began to run high against the manipulation of international affairs as a cloak for national incompetence. The Labour Party had not then popularised Geneva as a sanctuary for harassed statesmen. Mr. Lloyd George’s motive seemed to be to satisfy morbid feeling in the country by flirtations with the Soviet. The healthier elements in the nation, the returned soldiers who had witnessed the clash of steel had no illusions as to the good faith of deserters, and were not disposed to trade with Russia. The self-

<sup>1</sup> *Life of Lord Curzon*, by Lord Ronaldshay, Vol. III, p. 297.

righteous who wished to save Russia's soul were as often the self-centred who wished to manœuvre her into financial obligations. The sentiments came from the left always—the Socialists and the Liberals. Lord Curzon again expressed the precise state of affairs in a letter written to Mr. Austen Chamberlain before the Conference at Genoa. He wrote:—

“If he (Mr. Lloyd George) is to come home with a proposed recognition of the Soviet on conditions at all like those to which I have referred, I think he will rend our party, already badly split from top to bottom, and will break up the Government. Every word that I prophesied about the trade agreement has turned out to be true. The trade has been a farce, while propaganda has continued and is continuing unabated. . . . To have dealings with such people is bad at all times. . . . But to do it in the conditions described and in order to scrape something out of Genoa would be the nadir of humiliation.”<sup>1</sup>

The opinion of the nation on Russia was not in itself of importance. It separated the country indirectly on a point of political principle. The deciding factor was the manner in which a dislike of the Soviet paved the way for a hatred of the Coalition by the best element in the Conservative Party.

There had to be a culminating phase in the follies of the Coalition and it was not slow to arrive. The sudden rush of events in the Near East was to prove the undoing of the war politicians. Mr. Lloyd George had encouraged Greece to take up an aggressive attitude in Asia Minor. He had applauded the prowess of their arms. On the eighth anniversary of the Great War, he made a speech in the House of Commons, which in its sentimental stupidity over Greece could only appear to Turkey as an insult. Whether it was prompted by conceit, sentiment or despair

<sup>1</sup> Lord Ronaldshay, *op. cit.* Vol. III, p. 296.

it is hard to say. As a result the Turks prepared to attack Constantinople which was garrisoned by British and French troops, and France proceeded to support Turkey. The Near East became afire. There had already been a massacre in Smyrna. Once more the quicksand was moving and the Government was prepared to increase the pace of its indiscretions. With British troops entrenched at Chanak on the Dardanelles, the alternative seemed to be between an undesired conflict or an ignominious retreat. At a Cabinet meeting on September 15th, it was decided to reinforce these troops. An appeal was made to the Dominion Governments to stand by in the event of a crisis. A similar appeal was made to the Balkan States, and it appears that the Cabinet were highly excited about the possible loss of the Straits. That their fears were exaggerated and that their wishes controlled their thoughts is certain. Mr. Lloyd George and Mr. Winston Churchill intended to see their own crisis through with their own inimitable enthusiasm. As professional War Ministers they must have fancied their chances in an election fought over an Anglo-Turkish War. It would be the last hope of the inner caucus of the Coalition.

A communiqué was drafted by Mr. Winston Churchill and perused by Mr. Lloyd George. It was issued from No. 10 Downing Street to the Press, and was in effect a complete and official statement of policy. This almost final step was taken in the absence of Lord Curzon and with the Foreign Office unaware. The Foreign Secretary read for the first time in his Sunday newspapers that the Empire had been warned to expect this war for the freedom of the Dardanelles. The Dominions remained unenthusiastic while France became infuriated, and the languid promise of Australian troops was offset by the withdrawal of the French from Chanak. France was determined not to lose a man from rifle fire even if the British were doubly imperilled.

As dissatisfaction spread in the Cabinet the war "group" became more and more estranged from Lord Curzon. For

him the remaining course was to secure immediately the goodwill of the French and frustrate the War policy before he became forced to resign. At his first interview with M. Poincaré in Paris, the most the French seemed prepared to advise was that the British troops should also retire from Chanak. Later they agreed to plead with the Turks to refrain from action while arrangements were being made for a Peace Conference. Very slowly he persuaded them into a reasonable frame of mind, all the while struggling against colleagues who appeared determined on war. Only after leaving M. Poincaré's room on one occasion—in a fit of despair, did Lord Curzon finally persuade the French that a meeting should take place between General Harrington, the British Officer commanding, and Mustapha Kemal. It was to decide the boundaries between Asia and Europe that each side should respect. For arranging this conference at Mudania and quenching single-handed the first sparks of war, Lord Curzon was momentarily applauded by the Cabinet and enthusiastically congratulated in the French Press.

It seems almost incredible that the Cabinet should again have turned on its course. It cast its eyes on Turkey at the first pretext. For the moment there was a revolution in Greece, and King Constantine had left the country, while M. Venizelos had come to London representing the new Government. The Cabinet turned its attentions once more to a Greek Alliance. This again threatened the Entente. So far did Mustapha Kemal gauge what the feelings of Mr. Lloyd George would be that he advanced with amazing effrontery right up to the British lines at Chanak. His troops made grimaces at the British through the slender lines of fortification. The Cabinet decided on an immediate ultimatum although Lord Curzon wished to rely even at the last resort on diplomacy. At a meeting in his own house, he was overborne by the weight of expert military authorities, and the war again hung in the balance. It was fortunate for the country that while Lord Curzon could

not indefinitely bear the strain at home General Harrington was determined to frustrate the Government in so far as he was able in Constantinople. His refusal to act on the ultimatum became dramatic in London, where the inner caucus of the Cabinet were anxiously awaiting news of the first shot. Actually the Conference at Mudania was never abandoned, Lord Curzon's work in Paris was not destroyed, and the revolt in the Cabinet was complete. England can only pray that, so long as she is forced to suffer the demagogue gladly, she may possess the soldier of character who can use a blind eye and deaf ear on occasions.

The idea of issuing an ultimatum without awaiting a reply from the person in charge began to disturb certain members of the Cabinet, who could not applaud the morality of their more forceful colleagues. In a letter from Sir Arthur Griffith Boscawen which Lord Zetland quotes in his life of Lord Curzon, he expressed approval of the Foreign Secretary's action and wrote: "I should certainly have supported your view and so would several others who sit at our end of the table." At his end of the table, a quiet and humble spectator of events, sat Mr. Baldwin, then President of the Board of Trade. It is understood that at one time Mr. Baldwin was not unfavourable to the Government policy in the Near East, but at least he mistrusted the personal attitude of certain of its members. He met Lord Curzon and decided to support him in so far as he was able. It was this separate meeting of Unionist ministers to discuss independent action that foreshadowed the doom of the Coalition. In Lord Curzon's words "the death tick was audible in the rafters."

As events turned out, the Near East problem was not entirely solved. Early in October it loomed up again further to irritate the disgruntled Conservatives and the already sickened public. Owing to the latitude allowed from Paris to the French representative at Mudania the conference all but failed. To assist General Harrington, Lord Curzon had to hurry to Paris and assure him of the united action

of both England and France. The Foreign Secretary's task seemed perpetually to heal the sores that his colleagues would gladly have opened. They attempted to curtail him on this mission by having him accompanied by a colleague, but he had already departed. The war group in the Cabinet favoured another ultimatum, on this occasion to France, threatening to withdraw British troops in the event of British policy not being supported. Once again, however, a further wrangle with M. Poincaré proved successful.

On October 7th a letter appeared in *The Times* from Mr. Bonar Law. It sealed the fate of the Coalition, although that was not its author's intention. It was on him that the burden would fall if the Coalition broke up, and at that moment he was contemplating retiring from public life. Mr. Bonar Law stated that affairs in the Near East were essentially part of the Peace Settlement and that France should be prepared to take her share of the burden. It was unfair, he considered, to expect England to act as a police state while she remained crippled in her finances at home, and the only alternative in the future would be for her "to restrict her attention to safeguarding the more immediate interests of the Empire." With the official support of the Conservative Party then on the side of Lord Curzon, he was able to wrest an agreement from M. Poincaré. The inner group of the Cabinet gave way with an uneasy grace and an Armistice was signed with General Harrington at Mudania.

The fact that the Cabinet had secured an official Peace when the nation had reason to suspect its personal efforts made it perhaps more unpopular. *The Times* condemned it and the Conservative revolt which was the best informed of these inner events was imminent. Mr. Baldwin and others had remained aghast at the attitude of certain members for some time. Mr. Churchill gave a dinner party to decide whether it would be fair to the Conservative Party to make a hurried appeal to the country. That was the Coalition's only hope. Lord Curzon for some reason decided to support

him. On the next morning he had changed his mind. Perhaps, as his biographer suggests, he may have fallen to the flattery of a recognition of his services in the recent negotiations at Paris. As it transpired, his decision would have been immaterial. At a meeting held by Mr. Chamberlain, the Conservative Party, so far as it was represented by members of the Cabinet, viewed the whole idea with suspicion. It was the critical moment for the leaders of the rebel group to speak out. The chief insurgent was Mr. Baldwin, who realised that a premature appeal might continue the farce of the Coalition indefinitely. Lord Curzon, in suddenly changing his mind, did so probably from different motives and more from his concern for the conduct of foreign affairs. There was the subtle difference between the two men that Lord Curzon wished to be free of demagogues in order to continue in his flights of high politics, while Mr. Baldwin wanted to cleanse the Augean stables generally and return to party government. Lord Curzon had come from his position leader of the dissentients but it was Mr. Baldwin who really interpreted their spirit of disgust. As the revolt progressed these respective attitudes became more important by way of contrast.

When Mr. Austen Chamberlain departed from the interview complacently to defend the Government at Birmingham the strain became tense. When Mr. Lloyd George made a similar speech at Manchester the tension snapped. Mr. Lloyd George's actions had been beyond even the powers of his own oratory to conceal; his motives he could scarcely disguise. He professed a desire to retire, which in the light of events no one could take seriously, and entered into an undignified attack on Lord Gladstone over a personal matter. He condemned France and Turkey against the advice of his own colleagues, who considered that the subject was better forgotten. It was really adding insult to injury to recall the incident after the part the war group had played in scratching the sore. He paid a glowing tribute to Lord Curzon and General Harrington, on the assistance they

had rendered in maintaining peace. But with all the force of his personality such flattery failed to deceive the public. The vapid eloquence of the Celt had probably deceived the English for the last time, and the Conservative Party could rest assured that high office would not again be abused by such unrepentant indignity: Mr. Austen Chamberlain almost alone of the old Conservatives remained loyal to the Government. A break with the War politicians meant for him too hard a parting. He confidently summoned a meeting of Conservative members at the Carlton Club for October 19th.

The way had been revealed for a Conservative Government by an important bye-election on the previous day. At Newport there had been a turnover of nearly six thousand votes from Coalition Liberal to Conservative. The importance of this election in the history of the times cannot be over-estimated, and a special effort had been made to secure a clear indication of the feeling of the country. The men in Lysaght's works voted Conservative practically to a man, and the local agent expressed the view afterwards that "the working classes had never understood the Coalition. They had looked upon it rightly or wrongly as a wangle and as an attempt to ally capitalist forces against the worker." This was an indication of the industrial storm at home, that was going to take the place of the storm in European affairs. It was a portent that the President of the Board of Trade and not the powerful Foreign Secretary might be called to the helm of State.

For the meanwhile Mr. Bonar Law had reluctantly to read the omens and decide on the course he would take at the Carlton Club. When Mr. Asquith fell in 1916 he had been sent for by the King before Mr. Lloyd George. There was no doubt that he was too ill to enjoy the responsibilities of a Prime Minister, although he had only to raise his voice to step into Mr. Austen Chamberlain's place as leader of the Party. For days he had been receiving requests to re-enter public life and lead a homogeneous party away from

the Coalition. It seems strange that he and Lord Younger, who was then chairman of the Party, should have entertained an idea as to the failure of such a move. After Newport any doubts as to the temper of the country ought to have been finally dispelled. The only question was for the doctors to decide how long Mr. Bonar Law could remain physically capable of office. That he was fit for the task at that moment seemed certain, also that he greatly desired to become Prime Minister. The Premiership was as much the desire of his career as later it was to prove the disappointment of Lord Curzon's. Nevertheless it was a big plunge despite the thousand assurances of success on all sides, and a decision by such a man would not be reached on impulse. His opinion veered round favourably between the morning and the evening of October 18th. On the 19th the Carlton Club meeting was over and he had been called to Buckingham Palace.

At the Carlton Club it was Mr. Baldwin who was the outstanding figure. It is easy to imagine the determination with which he decided to use every means within his power to consolidate the party and overthrow Mr. Lloyd George. He knew that Mr. Austen Chamberlain was going to the meeting confident that he would return at lunch time to prolong his sojourn at No. 11 Downing Street. Lord Curzon did not attend for fear of being considered disloyal to his colleagues. He had the excuse that no peers were invited. It was, of course, necessary for Mr. Bonar Law to speak, but his position was delicate. Any straight talking had to come from Mr. Baldwin, who was the third personality in the Party, and a prominent malcontent in the existing Cabinet. Somebody had to express the spirit of Newport and the feeling of nearly every Conservative in the country. His words reveal his exact state of mind, they cannot be paraphrased. He described Mr. Lloyd George as a "dynamic force". He said:—

"A dynamic force is a very terrible thing, it may crush you but it is not necessarily right.

"It is owing to that dynamic force and to that remarkable personality, that the Liberal Party to which he formally belonged has been smashed to pieces, and it is my firm contention that, in time, the same thing will happen to our party. I do not propose to elaborate in an assembly like this the dangers and perils of that happening. We have already seen during our association with him in the last four years a section of our party hopelessly alienated. I think that if the present association is continued, you will see some more breaking up, and I believe the process must go on inevitably until the old Conservative Party is smashed to atoms and lost in ruins.

"I would like to give you just one illustration to show what I mean by the disintegrating influence of a dynamic force. Take Mr. Chamberlain and myself, Mr. Chamberlain's services to the state are infinitely greater than any that I have been able to render, but we are both men who are giving all we can to the service of the State; we are both men who are, or try to be, actuated by principle in our conduct, we are men who have exactly the same view on the political problems of the day, we are men who I believe—certainly on my side—have esteem and perhaps I may add affection for each other, but the result of this dynamic force is that we stand here to-day, he prepared to go into the wilderness if he should be compelled to forsake the Prime Minister, and I prepared to go into the wilderness if I should be compelled to stay with him. If that is the effect of that tremendous personality on two men occupying the positions that we do, and related to each other politically in the way that Mr. Chamberlain and I are, that process must go on through the party. It was for that reason I took the stand I did and put forward the views that I did. I do not know what the majority here or in the country may think about it. I said at the time what I thought was right, and I stick all through to what I believe to be right."

The first picture that the public had of the new star in the Conservative firmament came from an article in *The Times* on the following morning: "It is strange," it ran "that so simple and modest a man should have had so important a share in making political history. . . . He is a business man with strong leanings to art and letters." If not quite accurate as regards Mr. Baldwin's simplicity it was a fair picture of a man who had got to be accounted among the major statesmen of his day. Somewhere else he was described as "the best liked man in the House of Commons." It is sufficient to say that he was generally respected at the moment he was destined for high office.

Mr. Bonar Law's speech had given the malcontents the firm lead they required, and Mr. Lloyd George had of necessity to resign. The fallen Prime Minister embarked immediately on his election campaign. The "dynamic force" made its last vulgar appeal to the idle and curious who awaited its journey northward on the principal railway platforms on the route. Things augured well in contrast for "the business man with leanings to art and letters." Sir Robert Horne, like Mr. Chamberlain, decided to leave the Exchequer for the wilderness, and Mr. Baldwin, who had some insight into the workings of the Treasury, filled the vacated post. The dissolution of Parliament took place within a week and the new Government had by the end of November a clear majority of 73.

When the mind is cast back over this tedious trend of events it may appear that an unexpected person arose in a fortuitous manner. The casual always in politics appears to play a greater part than the causal. In truth it is never so. The sieve of events inevitably saves for itself the largest figures according to the purpose it has in view. The man who in the most part represents the feeling of his times need never lose himself. That was the position of Mr. Baldwin during the fall of the Coalition. As President of the Board of Trade he had been a silent watcher of the skies. When Lord Curzon saw the East ablaze he had wondered how long the

glow of the Black Country would illumine the night time of the midland counties. The one thought of high politics the other of low politics and it was only because public opinion could not focus its gaze on the internal break up of the country that Mr. Baldwin crept by on his path unnoticed. Twice during 1922 he had threatened to resign. It had not been because he considered affairs in Turkey were being mishandled but because he felt the Safeguarding of Industries Act was inadequate to deal with the threatening storm at home. "If," he had said, with a feigned loyalty that amounted to subtle scorn, "Mr. Lloyd George pulls off a success at Genoa the removal of all tariff walls in Europe will follow and the Industries Act will disappear with the rest." Since Mr. Cobden's day that has been the remotest "if" in political controversy. Actually he expressed his own views at the time of the Genoa Conference when he said that "we must export manufactured goods or starve." That was the real Mr. Baldwin coming into his kingdom. The election at Newport was the sign of his arrival.

There are critics who attribute Mr. Baldwin's rise to power as if it were due to the luck and chance of the Carlton Club meeting. It was there, they point out, that a man of second class ability came into first class office. In point of fact it was first class office that gradually turned him into a less than second class figure. If a statesman is to touch the nerve centre of politics to-day he cannot do so from high office. He can go on attempting to do so by holding international conferences and addressing mass meetings, which only represent the last petals of the flower of pre-War politics after the sap has ceased to flow in the stem. The central government cannot revive the roots of the political tree. The House of Commons can only bluff, it can never cure the paralysis of the English provinces. It has been said that Mr. Baldwin showed no promise at the Board of Trade, that Mr. Bonar Law was not impressed by him and that he was overshadowed by the galaxy of Coalition talent. What would those critics have wished him to do

at the Board of Trade? Could he have risen above the jealousies of the Coalition while those talented carrions were still picking the last bones of the British public? Could a President of the Board of Trade have done anything more constructive than offer to resign? Mr. Baldwin wanted a Conservative programme that would enable the English provinces to have stabilised prosperity. Both he and Mr. Bonar Law wanted the wracked body of Europe to be laid aside while energy was concentrated on the new imperial world. Those were visions that only office shattered. They were vivid dreams in the enthusiasm of that moment. Mr. Baldwin had kept the reticence and reserve of a gentleman in a brawl of political bounders. On that Thursday morning at the Carlton Club he had quietly emerged from the debris, never having doubted that it would be the Coalition who would seek solitude in the wilderness. He had only said what he thought was right and "stuck to it."

The English people have at times allowed dictatorships to be imposed upon them. A sincere unflinching political lead however, which has spell-bound opposition is a very different form of government to a coalition, that has merely bought its opponents. The return to party Government brought sighs of relief from the country. A coalition is so essentially mean that it is out of keeping with the English temperament. The tranquillity government of Mr. Bonar Law came into office in the most favourable circumstances. After the exploits of the Coalition even inaction would have been applauded. As the industrial skies darkened, honesty itself would almost have comprised a policy. If the nation had really to face a retreat, it would be better under one general of average capacity than a brilliant staff of leaders who were always endeavouring to recover lost kudos by dangerous offensives on the flanks. Nevertheless it must be borne in mind that this atmosphere was certain to change. Mr. Bonar Law had foresight, but it would prove one thing to know what ought to be done

and another to possess the personality to dragoon a nation into allowing it to be done. The new Prime Minister also possessed charm and sincerity of purpose, but his capacity as a leader was doubtful. It can well be conjectured that, had he survived, he would have incurred the displeasure of the people who at that moment were placing their trust in him. When it came to the point, the nation would not allow anything as drastic as a cure for its disease, it would merely want the pain alleviated. Whoever became Conservative leader would be expected to administer drugs for ten or twelve years without drawing a knife to the causes. The man who gave the greatest hope at that moment for a speedy and successful cure was Mr. Baldwin, the midland industrialist. He was even less overcast by the cloud of responsible statesmanship than his leader. The fact that the public had not heard of him did not matter. The times were favourable for him, but the future was full of snares.

The Chancellor of the Exchequer and the Foreign Secretary held the key positions in the new Cabinet. Mr. Baldwin stood for the first time before the public gaze when he travelled to Washington to settle the American debt. That is a question which must be dealt with under its own heading. For the moment it is sufficient to point out that Mr. Bonar Law was never satisfied with the terms he accepted, and considered that before long public opinion would also be dissatisfied. The point of interest is that Lord Curzon pleased the Prime Minister no better. At his handling of Foreign Affairs, Mr. Bonar Law became apprehensive after a very short while. He never considered Mr. Baldwin or Lord Curzon statesmen possessed of the greatest wisdom. The former seemed incapable of making a dramatic coup, the latter was always making dramatic coups only to crises of his own creating.

An example of the clash between the Prime Minister and Lord Curzon occurred at the Peace Conference at Lausanne which had been postponed for the General

Election. It met on November 20th. For nine weeks the Foreign Secretary held splendid court on the shores of Lake Lemman without any results showing at home from his deliberations. He was enacting a brilliant episode in diplomatic history. With a mastery of detail that baffled the Turks and amazed the Allies, he made so much of his hand that poor as it had been he dominated the entire assembly. His overwhelming case for the retention of Mosul in the Kingdom of Irak created a profound impression both in the home Press and in Europe. Nevertheless it was while Lord Curzon was enjoying himself most that Mr. Bonar Law became alarmed at the dimensions of his budget. Their two contradictory personalities became at variance. Lord Curzon was playing on a grand scale a game that was ten years out of date, and Mr. Bonar Law was becoming disproportioned in his outlook by the financial stress at home. When the Prime Minister finally ordered his Foreign Secretary to Paris to enquire into his long absence, Lord Curzon drew himself reluctantly away. He came like a recalcitrant child who knew that it would be time to go to bed in the middle of his fondest game. Lord Curzon's world was changing and the Prime Minister appreciated the fact.

This particular page of history, which Lord Zetland has so vividly described in his life of Lord Curzon, was the turning point in Mr. Baldwin's career. It was not the Turks, the Peace Treaties or the financial stress that counted. It was the preliminary shudder in the political earthquake of European existence. There were two ages at variance, the twilight of the pre-War age had coincided with the dawn of the post-War world. At Lausanne, Mussolini had appeared for the first time in his role as the internal nation builder. When Lord Curzon and Mr. Baldwin became rival candidates for the premiership, they would represent in their personalities a similar conflict. There would be a clash between the pre-War statesman and the provincial leader. The conference period, which

had still lingered on, was only the aftermath of the group of high politics which the Great War had cut to the roots. Mr. Bonar Law and Mr. Baldwin, when they followed up the bye-election at Newport, found themselves the low politicians surrounded by the internal crisis of the nation. To-day, Germany, Italy, Russia and Turkey are the living cells in the political body of civilisation while Geneva, Lausanne and London are the mere offices in which the liquidators still wind up the old economic and high political structure. This was almost first illustrated by the incident of Mr. Bonar Law growing apprehensive over the expense of Lord Curzon's splendid court beside the Leman. He had to applaud, as all the world applauded, his diplomatic prowess. Nevertheless, the fact that Lord Curzon knew more about the history of Southern Kurdistan than the Turks themselves could hardly lessen the spectre of an industrial crisis, which might well materialise into a general revolution. Such thoughts were lost on Lord Curzon's imagination. He would not contemplate working men in their shirt sleeves overthrowing motor lorries on the Docks. He had shown no real sympathy at Lausanne for the work of Mustapha Kemal at Angora, one of the great works of political renaissance that the modern world can show. Lord Curzon lived in the Foreign Office that loomed pompously between the trees of St. James's Park, perhaps unmindful that it owed its existence to brutish little scraps at Agincourt and Crecy. The times were growing out of Lord Curzon at the moment of his sternest triumph at Lausanne.

The new Conservative administration had an undoubted need of first class talent. They had a difficult task with so many ex-coalitionists in public life, still wearing their party labels. The trouble was that these men relied on their accomplishments and yet failed to make an analysis of the situation which had overthrown them. As no Conservative had any idea of the fundamental change in the situation either, they were never put in their places.

Isolated figures like Sir George Younger remained outspoken. For the rest the middle class and sequacious outlook still pervaded and nobody wished for a row. There was no character in the Tory ranks big enough to hound the Coalitionists out of public life. They could only be held at bay by strategy. In this manner the door was opening for Mr. Baldwin.

With the exception of Lord Curzon, the late administration could look down on the honest fools who had replaced them. It was quite right that judged by existing standards Mr. Lloyd George, Mr. Churchill and Lord Birkenhead should have considered themselves bigger figures. Their lack of humility was not in their estimate of themselves personally, but in their estimate of their statesmanship. It is a generous criticism to say that they had watered away their opportunities. Despite their political technique they had passed over circumstances too far to readapt themselves. Their sensitiveness to political atmosphere failed to respond when the weather-cock reversed. They trusted headlines, theatricals and philippics while the masses were sinking into a capitalist slavery, that the pre-War world had made inevitable. Meanwhile the day of the high politician and his technique was passing. Perhaps the fundamental change was a portent of the day that Spengler awaits when "high history shall lay itself down weary to sleep." It is certain that Mr. Bonar Law had no interest in the old Europe, he only thought of the Empire and the new world. At that moment the thoughts of any intelligent man must have gone toward the resuscitation of his own kith and kin drooping in spirit beside their doomed factories. The boom was a fool's paradise. If the Spenglerian illustration could be carried further, if there was any real feeling that the war-racked nation considered the high politician an overblown flower, then the natural desire would arise for the "timeless village and the eternal peasant." If the honest Scot ever departed from Downing Street, the iron-master from

Worcestershire would be the next step in the same direction.

Events moved with their apparent independence of psychological changes. The leading figures played their own parts in their own ways. The Prime Minister showed vision, Mr. Baldwin showed an instinctive sense of right direction, and Lord Curzon turned his face obstinately against the times. The Foreign Secretary was bored by Reparations. He would have wrangled until the Resurrection day over one pearl in the Orient, but an insane France, a crippled Germany and a delirious Europe fighting like tradesmen over base lucre did not appeal to his "grand temperament." Mr. Baldwin had settled the American Debt and Lord Curzon wished the Prime Minister to deal himself with Reparations. The Turkish question would continue to occupy his time.

Unexpectedly the Prime Minister showed signs that his public life was drawing to a close. Almost at the moment when the three statesmen were proceeding to occupy themselves with their respective tasks, Mr. Bonar Law was taken from them. His health gave way in the Spring of 1923. He was away from duty for some time and then took a sea voyage. In April, Lord Curzon had heard a rumour of his resignation while he was himself taking a cure on the Continent. He immediately wrote to enquire as to its truth, and was assured by Mr. Bonar Law that he hoped his health would recover. During his voyage, however, Lord Curzon returned to London to preside over the Cabinet. He was the senior and most influential member of the Government. "It was natural," wrote Lord Zetland, "that Lord Curzon's friends should be telling him that the crowning ambition of his life was about to see fulfilment."<sup>1</sup>

On May 17th, Sir Thomas Horder visited the Prime Minister in Paris, and found him no better for his rest. He discussed his plans with Lord Crewe at the Embassy

<sup>1</sup> Lord Ronaldshay, *op. cit.*, Vol. III, p. 349.

and Sir Thomas advised him to return to London for a further examination. Lord Crewe described the incident, as "a pathetic moment we shall not easily forget." Mr. Bonar Law knew, then, that the hands of fate were against him. On May 21st, Lord Curzon received a letter from the Prime Minister officially informing him of his resignation. He wrote "I understand that it is not customary for the King to ask the Prime Minister in circumstances like the present to recommend his successor, and I presume that he will not do so, but if, as I hope, he accepts my resignation at once, he will have to take immediate steps about my successor."<sup>1</sup> When Lord Curzon read this nothing could have seemed amiss. The crowning achievement of his life was near at hand.

From all sides Lord Curzon heard his name mentioned as that of the obvious successor. Perhaps he would forget that political conversations in England are usually incorrect because the English never analyse the situations philosophically. The modern Englishmen, like *The Times*, would have ignored Cæsar's speeches five minutes before he crossed the Rubicon and given him headlines five minutes later. The powers of imagination are dull. Lord Curzon had steamed through his career like an express train, passing each station to the minute from the Presidency of the Oxford Union at one end to the Viceroyalty of India at the other. It had appeared a confident progress. It seemed unbelievable, at the last, that he should not pass into his destination on the scheduled hour. It required a strong sense of imagination to back Mr. Baldwin's chances against him.

It was at that moment, however, that Lord Curzon revealed his whole character. He was at Montacute, in Somerset, at the time, and thus cut off from the outside world, it is understood that he would not come to London for fear of compromising the situation and raising unpleasant suggestions. Had he been the person for supreme

<sup>1</sup> Lord Ronaldshay, *op. cit.*, Vol. III, p. 350.

office he surely would not have entertained such a qualm. A psychological dilemma such as that would be more appropriate to a boy at school awaiting some special reward, than to a man of destiny, awaiting the government of an empire. That such an attitude should be presented to the premiership was a grave reflection on the office, on the modern statesman, and on Lord Curzon's conception of political leadership. It was because Lord Curzon had an unreal attitude to an unreal life that his masquerade had somewhere to break down. An over-sophisticated undergraduate or a middle-class Scot careering in English politics might be self-conscious over taking office; a real leader would be so absorbed with power that he would ignore office. Ideas of embarrassment would never arise. Lord Curzon had once clashed with a great man when Lord Kitchener was in India. He was too great an individualist, and a Liberal at heart cannot permanently be disguised in a cloak of ermine.

The truth of the situation was that the crisis in industry was too near at hand to be entrusted to Lord Curzon. All the ability in the world would not have made the manners of a Versailles aristocrat congenial to the disgruntled working classes. Behind this rather painful truth the argument about the House of Lords was somewhat thin. Actually people in the clubs and on the streets spoke of the difficulties that would arise from a Prime Minister in the Upper House. Doubtless the King was impressed by the fact that the Labour Party was not represented in their lordships' House. In the main, however, the fact that people talked nonsense to avoid the truth did not make what they said sense. That there was any convention that forbade a Prime Minister to be a peer was a mere figment of some mad democratic belief. Such an idea would be dispelled at once if a leader ever arose in the last free assembly of our over-systematised government. It was a pity that Lord Curzon had himself contributed to this misconception. He had once joined a trio of elder sons in a deliberate

effort to gain the right to prefer a seat in the lower House. Perhaps he wished merely to provide for a subsequent mishap. However, he was young then, and rather than illustrate a constitutional difficulty it only revealed him to be a studious self-improver. He would have wanted to rub shoulders against all the useless debating standards of the intellectually brilliant. He never had the reticence of a figure that the House of Lords would cherish. He would not see that in a time of crisis no one could be better than a peer, provided he maintained the traditions of the territorial ruler. The fact that he could have neglected the dialectics of the House of Commons would only have endeared him to the working classes, who still prefer leaders to routines. Even in 1923 the names of Lord Derby and the Duke of Devonshire were mentioned. The House of Lords was not a serious bar. The choice was very meagre but very obvious.

During the week-end that the world discussed the ill-fortune of Mr. Bonar Law he was visited by Mr. Baldwin at Chequers. The King was at Aldershot and returned to London early on the Monday morning. Lord Curzon returned on Tuesday with a letter from Lord Stamfordham stating that he wished to visit him. At Paddington a crowd of Press photographers besieged him, and at Carlton House Terrace the interest was the same. All the while Mr. Baldwin was in London awaiting his summons to the King. Many people felt by that time that he would be selected but the public interest in him was not widespread. At 2.30 Lord Stamfordham called on Lord Curzon and the famous interview took place, which shattered all that great statesman's dreams and aspirations. The House of Lords bogey was dragged up as an excuse. If it was genuine Lord Curzon indeed had a grudge: if not, the bald fact that Mr. Baldwin had been preferred to him could not have sweetened the gall. He was prostrated by the decision, and the whole centre of his life seemed torn from within him. He wanted even then to make a plea for a peer to be considered. It

was too late. "Such," he said, "was the reward I received for nearly forty years of public service in the highest offices, such was the manner in which it was intimated to me that the cup of honourable ambition had been dashed from my lips, and that I could never aspire to the highest office in the service of the Crown."<sup>1</sup> There was something pathetic in this childlike longing for office; there was an unknown and wonderfully human figure revealed at this first crushing set-back. Had he tasted such disappointment earlier in life there might have been less anguish in his later days and no Mr. Baldwin.

As it was, Mr. Baldwin visited the King during the Tuesday afternoon. He returned to Downing Street at 4.15 amid a throng of Pressmen, and quietly exclaimed, "I need your prayers rather than your congratulations." He doubted for the moment his ability to apply the panaceas he had always believed would cure the situation. There would be much more wanted than the enthusiasm of his none too brilliant supporters.

He immediately wrote Lord Curzon a request that he should continue at the Foreign Office in the new Government. He pressed him not to resign. Lord Curzon, who by this time had accepted the situation philosophically, replied that he had every desire to retire, but that he would continue at the Foreign Office because he wished to show no mistrust in the new administration. On May 29th there was a party meeting at the Hotel Cecil. Lord Curzon again rose with magnanimity to do his duty to Mr. Baldwin and proposed him as leader of the Party to succeed Mr. Bonar Law. This effort must have been to Lord Curzon very great. He could not refrain from saying of the new Prime Minister that "he possessed the supreme and indispensable quality of not being a peer." Then with a subtle touch of wit and understanding he compared him to Cincinnatus, the Roman statesman who had left his farm to save his country. He referred to the famous speech then

<sup>1</sup> *Life of Lord Curzon*, by Lord Ronaldshay, Vol. III, p. 352.

only recently delivered—in which Mr. Baldwin had expressed a desire “to return to Worcestershire, keep pigs and live a decent life.” Even if this tribute was a little unfortunate it was a gracious tribute in the circumstances.

Mr. Baldwin told the truth about Lord Curzon after he had died in 1925. “The key to Lord Curzon’s life,” he said, “is to remember that his roots had stuck deep in pre-Industrial England, and it was from an early England that he drew the sources of his strength.” That undoubtedly accounted for the artificiality of his life. That love of the East and the wiles of high diplomacy became in the times in which he lived a pose. Of the two occasions when Mr. Baldwin was preferred to him in the premiership, and when he persuaded him that his path of duty lay through the Chairmanship of the Committee of Imperial Defence and not through the Foreign Office, he spoke in the House of Commons at his death. He said then:—

“I felt on both those occasions that I had seen in him in that strange alloy which we call human nature, a vein of the purest gold. He died as he would have desired, and as we should all desire to die, in harness; a harness put on himself in youth and worn triumphantly through a long life, a harness which he never cast off until his feet had entered the river. It may well be when we look back on that life of devoted service to his country, and of a perpetual triumph of the spirit over the flesh, that in some places in this earth, early on that Friday morning, may have been heard the faint echoes of the trumpets that sounded for him on the other side.”

With those magnificent words the episode so far as the dead were concerned may well close.

Of Mr. Baldwin’s part in this strange rivalry something must be said. He certainly was no Cincinnatus; there is only a substratum of truth in the allusion. He had taken

good care to be caught ploughing. He felt that he had a definite contribution to make to the situation and for that reason he would desire the premiership. Had anyone else been able to make a similar contribution, had there been a man with as much character and more ability, Mr. Baldwin might then have contemplated "the decent life." He can hardly have been surprised when his hand was wrenched from the plough to grasp the helm of state. He acquired office because his attitude to office was right.

Furthermore, the sincere approach to the situation of the heavy-going Cambridge man was less anachronistic than Lord Curzon's highly-seasoned Oxford manner. The times had changed in Mr. Baldwin's favour. No one can praise him with having changed with the times, because he has since proved that he had only in part understood them. He had started life as an industrialist and he became Prime Minister because he represented provincial middle-class opinion. He epitomised peace in industry at a moment when the storm was brewing. He was found to be something of a peasant when the eighteenth century gilt was being soaked off politics by nineteenth century democracy. In one way he was no wiser than Lord Curzon, but it is always wiser to be a peasant, if you cannot explain satisfactorily why you should be a marquess. Moreover, Mr. Baldwin represented a cause which is always a passport to high places. He was sincere in a purpose that did not coincide with himself. He typified what the country desired for consolation in a moment of anguish. Unlike everything that people knew to be bad, he thought good of himself, and instinctively espoused the cause of righteousness. Tariffs and industrial disputes were the only two certainties at the moment when he was chosen to lead the nation. Had he been a peer it is difficult to see how the decision could have been otherwise.

## CHAPTER IV

### THE AMERICAN DEBT

CRITICISM by opponents is often more generous than the praise of friends; and if the following estimate of Mr. Baldwin does not overstate his claim to fame, it at least indicates one aspect of his career which cannot be overlooked. "There are ten or twenty men in the House of Commons who would have very many times the claim to the great position he holds . . . and the best thing a writer, examining the reason why, can do is to follow Mr. and Mrs. Baldwin themselves and piously ascribe the whole affair to the uncovenanted mercies of the Almighty God."<sup>1</sup>

Opportunity comes to every man. But it seldom comes at a moment convenient to him, and success in most walks of life is the reward of careful preparation coupled with eternal vigilance. Mr. Baldwin was well prepared. The only source of real power is the reputation which a man builds from his local activities. The power and influence of a nonentity is in no way increased if he is elected to the House of Commons and removed from the scrutiny of his neighbours. Nor will the multiplication of such nonentities provide political power. The only source of power ultimately is the character of the individual. Judged by this standard Mr. Baldwin was a powerful man. He struck a direct contrast to most members of the House of Commons as he made no claim to be omniscient. He was not a showman endeavouring to catch somebody's eye in order to get

<sup>1</sup> *The New Leader*, June 1st, 1923.

his foot on the first rung of the ladder of ministerial fame. He contented himself with listening and smoking. He only spoke when he had something to say, and when his conclusions were drawn from long experience. Such conduct consistently maintained, over a span of years must build a reputation for solid worth which only the superficial observer or irresponsible and lazy journalist could suggest came, for reasons which mere humans could not comprehend, direct from the Almighty.

Then came the War; and for the first time Mr. Baldwin gave politics his whole attention.

"When the War broke out I was forty-seven and too old to do much fighting. I think most men of my age felt it was rather a poor thing to try and make money when there was a war on . . . and I gave up all the time I could to such work as I could get . . . work that was offered me by various Ministers to work on Committees and so forth. I felt there was an opportunity of giving some unpaid service which might be of use."<sup>1</sup>

Opportunity first came his way on December 22nd, 1916. Mr. Bonar Law had been appointed Chancellor of the Exchequer in the second Coalition, and Mr. Baldwin became his Parliamentary Private Secretary, a task which, at the age of forty-nine, is not particularly attractive, as it demanded hard work with little gratitude or glory. His subsequent career *The Times* described as the "most amazing of modern times."<sup>2</sup> He had waited nearly nine years for his chance: seven years later he was Prime Minister. His first month in close contact with Mr. Bonar Law must have demonstrated that his reputation was not entirely built on sand, for, on January 30th, 1917, he was made a Junior Lord of the Treasury. Opportunity again came to him. The Financial Secretary, Mr. (afterwards Sir) S. Hardiman Lever, had no seat in the House, and was in the United

<sup>1</sup> Manchester Constitutional Club, November 3rd, 1923.

<sup>2</sup> May 23rd, 1923.

States watching British financial interests. Mr. Baldwin was chosen as his spokesman, and made himself so valuable that he was soon appointed Joint Financial Secretary to the Treasury.<sup>1</sup> He had stood up to the test of his new duties and in a few days under six months had moved from obscurity on the back benches to act as right hand man to the Chancellor of the Exchequer.

The recognition that Mr. Baldwin had obtained was hard earned, and such a foundation for success should not be past human understanding. In his new office he was popular throughout the House and even with the Press Bench. "This alert, straight-speaking man from Worcestershire," said one paper, "gives the impression he knows what he is about. To listen to his crisp, clear-cut statements is to be conscious of a feeling that here is a Chancellor of the Exchequer, not nascent and in the making, but active and ready made. When the Unionist Government wants a Chancellor of the Exchequer he will be heard of." It was no passing popularity, for when a vacancy as Speaker occurred in 1921 Mr. Baldwin's name was seriously considered as a possible candidate.

After the General Election in 1918 it has been seen that he was reappointed Financial Secretary to the Treasury; he came a Privy Councillor in June, 1920; and when Mr. Bonar Law resigned from the Coalition in 1921 it caused no surprise that Mr. Baldwin, who had first entered the Ministry on his reputation as a business man, should be created President of the Board of Trade to succeed Sir Robert Horne. In the bye-election which followed Mr Baldwin received 14,500 votes to the sixteen hundred of his opponent.

In October, 1922, the Carlton Club meeting was held. Five days later Mr. Bonar Law had become Prime Minister. After five years' daily association with Mr. Baldwin, the new Prime Minister had no hesitation in making him his Chancellor of the Exchequer.

Mr. Baldwin had seized his opportunities and was called

<sup>1</sup> June 1st, 1917.

upon to play an increasingly important part. Up to the end of 1921 Great Britain had endeavoured to wipe out War Debts by the simple policy of omitting to call on her debtors. In February, 1921, Mr. Austen Chamberlain, in a speech at Birmingham, stated that Great Britain had proposed the cancellation of all War Debts, and that the United States would accept no such suggestion. Four days later, the American Secretary to the Treasury told the Senate Judiciary Committee that proposals for cancellation had been received. "This," he said, "is unthinkable. All requests have been refused."<sup>1</sup> It was in this unsatisfactory position that the matter lay until February 9th, 1922, when Congress set up the World War Foreign Debt Commission which was to negotiate for settlements provided the rate of interest accepted was not less than  $4\frac{1}{2}\%$ , and that debts were wiped out before June 15th, 1947. A little over a fortnight later the United States Government sent an official invitation for a delegation from Great Britain to negotiate with this Commission. Similar requests were sent to the other debtors. We were called upon to meet our obligations, and we had sooner or later to make some effort to collect the sums which were owing to us. "Accordingly," says Mr. Lloyd George, "a Note was drafted by me, submitted to and agreed by the Cabinet. . . . The Note was then sent by Lord Balfour, as Acting Foreign Secretary, to the diplomatic representatives of our European debtors, with the exception of Russia. In view of the fact that the principle of the Balfour Note is now almost universally approved in this country, it is interesting to recall that on its first appearance its reception at home and abroad was discouraging."<sup>2</sup> Mr. Lloyd George claims this was due to the fact that it was a move by the Coalition whose destruction was carefully being planned at that time.

<sup>1</sup> c.f. message dated February 9th, 1920, from Mr. Austen Chamberlain to the American Government and a letter of August 5th, 1920, from Lloyd George to President Wilson.

<sup>2</sup> David Lloyd George, *Reparations and War Debts*, Heinemann, 1932, pp. 111 and 112.

However, there was a strong body of opinion which believed our best policy was first to fund the American debt on the best terms we could obtain and then negotiate settlements with out European debtors. This view was taken by the Chancellor of the Exchequer, Sir Robert Horne, and, writes Mr. Wickham Steed, "was the policy that found favour at the British Treasury and in the City of London in July, 1922."<sup>1</sup> There was also in the United States an undoubtedly large body of opinion which, if it was not prepared to advocate complete cancellation of the debt, was at least favourable to its drastic reduction. Further support for this attitude would come from those who wished the United States to appear not less generous than ourselves. But Great Britain could not take the initiative. As a creditor she could not cancel her debts until her obligations as a debtor were met. Any other policy would have been premature, and any such apparently generous move could have been interpreted only as an effort to force the hand of her creditor. For these reasons most Englishmen were in favour of making our settlement with America before dealing with the situation in Europe.

The Balfour Note adopted an entirely different method of approach. It said:

" . . . With perfect courtesy and in the exercise of their undoubted rights, the American Government have required this country to pay the interest accrued since 1919 on the Anglo-American Debt, to convert it from an unfunded to a funded debt and to repay it by a sinking fund in twenty-five years. . . . His Majesty's Government recognise their obligations and are prepared to fulfil them. But evidently they cannot do so without profoundly modifying the course which, in different circumstances, they would have wished to pursue. They cannot treat the repayment of the Anglo-American Loan as if it were an isolated incident in which only the United

<sup>1</sup> *The Real Stanley Baldwin*, Nisbet, 1930, p. 49.

States of America and Great Britain had any concern. . . . If our undoubted obligations as a debtor are to be enforced, our not less undoubted rights as a creditor cannot be left wholly in abeyance. . . .

"The amount of interest and repayment which His Majesty's Government ask depends not so much on what the Allies owe to Great Britain as on what Great Britain has to pay America. If the policy favoured by His Majesty's Government of surrendering her share of the German reparation and writing off through one great transaction the whole burden of inter-allied indebtedness be found impossible of accomplishment, we wish it to be understood that we do not in any event desire to make a profit out of any less satisfactory agreement. In no circumstances do we propose to ask more from our debtors than is necessary to pay our creditors."

European statesmen were concerned solely with Germany's capacity to pay, and this Note, therefore, appeared almost irrelevant, and quite unimportant. France treated it with contempt and the other powers ignored it.

It was quite as unacceptable in England. Until our settlement had been made it could do no possible good, and was open to grave misconstruction in America. There could be no real criticism had it been published after our delegation had returned from Washington: but in August, 1922, it was a disaster.

The policy of issuing the note was opposed by Sir Robert Horne, the Chancellor of the Exchequer, and he was supported by a large body of responsible opinion. "The intellectual *volte face* involved is so striking that it is not surprising that the undertaking . . . was scarcely felt as a generous measure. . . ." <sup>1</sup> That was one opinion, and it must be considered fair. To the citizens of the United States it could only appear that England would pay because

<sup>1</sup> Sir Andrew McFadyean, *Reparations Reviewed*, Ernest Benn, 1931, p. 42. *Vide also 43 et sequitur.*

she had to, but at the same time she wished them to realise that she thought they were dealing very sharply with her and that she hoped Europe would understand her attitude towards this action by the United States. We wanted Europe to appreciate that any inconvenience which we might cause them was to be attributed entirely to the United States. The effect in America was summed up by the American Ambassador in London, Mr. George Harvey, who continually referred to it as the "Billion Dollar Note," meaning that it would probably cost us £200,000,000 more to settle our obligations after the publication of the Note than it would have before.

The Commission had been set up in February. In April our invitation was received. In August the Balfour Note was published. October saw the Coalition crash and Mr. Baldwin become Chancellor of the Exchequer, for which part the whole political stage was set. On December 28th, 1922, the new Chancellor, accompanied by Mr. Montagu Norman, the Governor of the Bank of England, sailed for America; one day under a month later they were home again. Before they sailed Mr. Bonar Law did his best to repair the damage done by the Balfour Note by a speech in the House in which he stated that he would not consider that it bound him. This made the position considerably worse, as no one could in any way tell what were the real views of the British Government.

During the War we had issued 4,277 certificates which read: "Certificate of Indebtedness. The Government of the United Kingdom of Great Britain and Ireland, for value received promises to pay to the United States of America or their assigns a sum of one million dollars on demand, with interest from date at rate of five per centum per annum." We had paid this interest to the end of 1919, when an agreement suspended further payments of interest until April, 1922. Sir Robert Horne had announced in his Budget speech on May 13th, 1922, that payments would again be made, and later in the year six months' interest

at 5% was paid. This was the position when Mr. Baldwin reached Washington, and his brief was to persuade the Commission to fund the debt at  $2\frac{1}{2}\%$  interest per annum, with  $\frac{1}{2}\%$  sinking fund. On the other side the terms of reference for the commission gave them a minimum of  $4\frac{1}{2}\%$  interest with total amortisation to follow in twenty-five years. This would involve Great Britain in an annual payment of not less than 65 millions.

There was no question of a reduction of the principal of the debt. It had been mooted by our leaders, but America had never really considered the suggestion. The *Westminster Gazette* probably reflected the spirit of the country in a leading article<sup>1</sup> which stated that "Mr. Baldwin has an excellent foundation for his mission to the United States in the determination of the country to pay what it owes America." The *Evening News*<sup>2</sup> said, "He represents the determination of the British people to pay their debts of honour, to pay in full and on fair terms." And the Chairman of Barclay's Bank, at the Annual Meeting in 1923,<sup>3</sup> said: ". . . as the Chancellor has definitely stated, and in this he will have the universal approval of the people of this Country, we shall discharge the debt in full."

Mr. Baldwin, on his arrival in Washington, explained that his desire was "to effect a settlement which will benefit both the people of America and of England."<sup>4</sup> In his first speech to the Commission he strengthened the good impression which he had immediately made in the country and it was at the same time well received by Congress. "Spotted prosperity," he said, "is impossible. We wish to approach the discussion as business men seeking a business solution of what is fundamentally a business problem."<sup>5</sup> "The speech of the Chancellor made the happiest impression."<sup>6</sup> However, he had considerable difficulties to meet. In the first place, Congress had stated its terms and it would be difficult to go behind them, as there were many Senators

<sup>1</sup> 28. 12. 22.<sup>2</sup> 26. 1. 23.<sup>5</sup> Washington, 8. 1. 23.<sup>3</sup> 27. 12. 22.<sup>4</sup> Washington, 5. 1. 23.<sup>6</sup> *The Times*, 10. 1. 23.

who believed that their personal position was in no way weakened if they appeared as the guardians of American interests and demanded the just return of money advanced by American citizens.

Secondly, it was difficult for anyone to persuade the American taxpayer to pay more taxes in order that the people of Great Britain might pay less. Representative Oldfield, of Arkansas, for example, went so far as to say that he would not vote for any proposal for charging the American taxpayer at a higher rate than those in England!<sup>1</sup> Some comment was made on the very high rate of taxation which existed in England with a view to demonstrating that this could not be increased. But as the rate in America was at this time the highest in history the point carried little weight.

Congress sincerely felt that the rate of the interest in the final settlement should on no account be lower than the 4% which the American Government had to pay to make the War time advances possible. Furthermore, the negotiators had always to remember that any terms they might offer must be reviewed and possibly revised by Congress.

The publication of the Balfour Note before we had settled with America had undoubtedly produced a bad effect. It had no actual relevance until a settlement had been made, and therefore it only made the position more difficult. There could be no criticism of its sentiment: the timing on the other hand could not be defended.

From the American side there was also considerable support for the view taken by the *New Republic* that "we cannot cancel, as, unlike Great Britain, we did not get large portions of Syria, Africa and Mesopotamia and the largest share in the German indemnity."<sup>2</sup> And there were also in America many who, while Europe remained armed, would on no account remit War debts to assist in this "insanity." The ingenuity of Puritan America to wield idealism for material advantage is often a source of wonder.

<sup>1</sup> 9. 2. 23.

<sup>2</sup> 7. 2. 23.

When the powerful Hearst Press on January 8th, 1922, launched a furious attack on the English visitors, the atmosphere was laden with difficulties. The political outlook of the times was a factor that later critics tend not to appreciate. And there was the final urgent necessity for settlement as the pound was standing almost at its lowest level since the War.

The British delegation confronted with these difficulties was, according to Mr. Lloyd George, "a bad combination." No worse could have been chosen. . . . Such a person (as Mr. Norman) was a dangerous counsellor to a man of Mr. Baldwin's equipment.

"As to the two leading negotiators, Mr. Mellon and Mr. Baldwin, Mr. Mellon was keen, experienced, hard and ruthless; Mr. Baldwin casual, soft, easy-going and at the same time quite raw. Mr. Baldwin admits that since then he has learned a great deal. At that time he merited his constant boast that he was only a "simple countryman." A business transaction at that date between Mr. Mellon and Mr. Baldwin was in the nature of a negotiation between a weasel and its quarry. The result was a bargain which brought international debt collection into disrepute."<sup>1</sup>

On the day following Mr. Baldwin's opening speech,<sup>2</sup> President Harding stated that it was impossible to fund the British Debt on terms fixed by Congress, and on the same day Representative Madden was loudly applauded in the House of Representatives when he opposed any modification of Congress' terms. Representative Burton, a member of the Debt Commission, said, "I believe we should make the terms as moderate as we can." Two days later Senator Smoot told the Finance Committee of the Senate that the President would ask for an amendment of the Funding Act within a week. On the 12th January, Mr. Baldwin made the following proposals: that our indebtedness should be funded into bonds running from 40-50 years: That a

<sup>1</sup> *Op. cit.* 116.

<sup>2</sup> 9. I. 23.

specific amount should be amortised periodically; that the rate of interest should be lowered to a more reasonable figure, and that the reduction of the principal should begin after an interval of several years.

The Debt Funding Commission stood firmly by the terms of its reference. Mr. Baldwin pointed out that the rate of interest then current in the United States was well below the  $4\frac{1}{2}\%$  which they asked<sup>1</sup>. On January 12th the Commission offered to recommend Congress to accept repayment with  $3\frac{1}{2}\%$  interest for 61 years. Mr. Baldwin said the only offer he could make was  $2\frac{1}{2}\%$  interest for 50 years, and telegraphed for Cabinet authority to accept 3% interest. Mr. Bonar Law replied that he thought that  $2\frac{1}{2}\%$  was the limit, but that he would recommend 3% to the Cabinet if the arrears were wiped off. Mr. Baldwin tried to get 3%, but could only do so for 10 years with  $3\frac{1}{2}\%$  for the following 52 years<sup>2</sup>.

The final terms Mr. Baldwin accepted were to extinguish the debt in 62 years; 3% was to be paid from June 13, 1923 to December 13, 1932, and then  $3\frac{1}{2}\%$  until repayment in 1984. There had been no question as to whether we should pay the whole. On the two main points at issue Mr. Baldwin succeeded in getting the terms laid down by Congress, of a 25 year limit with not less than 4% interest very considerably modified. "The original terms of Congress," said Mr. Baldwin, "with sinking fund really represented about 6%." The average rate of interest to be paid under the Settlement was 3.4% and the interest already accrued between 1919 and 1923 was to be calculated at  $4\frac{1}{2}\%$  instead of the original 5%.

The terms were heavier than many people in England had been led to expect. It is said that Chief Justice Taft and Mr. Ambassador Harvey had over the luncheon table at 10 Downing Street made an offer to settle at 2%. However,

<sup>1</sup> cf. Letter C. P. Duff, May 23rd, 1929.

<sup>2</sup> cf. Lloyd George criticism of Mr. Baldwin's settlement, *Op. cit.* p. 118.

they had no authority to do so and, even if the report is correct, they were out of touch with American opinion. Sir Auckland Geddes, for example, had repeatedly informed the Foreign Office that interest below 3% could not be obtained. Mr. Lloyd George in his recently published book says:<sup>1</sup> "At the time when the Baldwin Settlement was made the United States Government was easily able to raise money at 3½% and Mr. Mellon, Secretary to United States Treasury, subsequently stated that over the 62 years during which the repayment was being spread out, the average cost of money to the United States Government would be only 3%. . . . On the strength of the fact that the interest rate charged was below the original purely nominal figure of 5% borne by the obligations we had furnished it is commonly stated that America made a partial cancellation of the British debt. But in the light of Mr. Mellon's statement as to the actual cost of money to the United States Government it may be urged that in fact we are overpaying. On the basis of a rate of interest of 3% the payments we contracted to make to the United States corresponded to a capital sum of 4,922,702 dollars, an overpayment of 7%.

"The Settlement which Mr. Baldwin so hastily concluded staggered Europe. It annoyed the business community of America because it was so unexpected. The Treasury officials were not exactly bluffing, but they put forward their full demands as a start in the conversations and to their surprise Mr. Baldwin said he thought the terms were fair and accepted them . . . this crude job jocularly called a settlement, was to have a disastrous effect upon the whole further course of negotiations on international War Debts. The United States could not easily let off other countries with more favourable terms than she had exacted from us, and as a consequence the settlement of their American Debts by our European Allies hung fire for five years, provoking continual friction and bitterness. Equally the exorbitant figure we had promised to pay raised by so much

<sup>1</sup> *Op. cit.* p. 118.

the amounts we were compelled to demand from our debtors. Not alone Britain, but all Europe has suffered from Mr. Baldwin's vicarious generosity<sup>1</sup>."

The actual offer made by America and the final terms have already been set out. Comment on most of this passage is unnecessary. But it is relevant to note that the writer in the same book claims the authorship of the Balfour Note and, says Mr. Wickham Steed, "Before the Balfour Note was issued the British debt might have been funded at a maximum rate of 3% and probably 2½%."<sup>2</sup> "Mr. Stanley Baldwin had to bear the brunt of their mistake (in the Note) at the beginning of 1923, just as Sir Robert Horne would have had to bear it."<sup>3</sup> As we have already said, apart from the Note, even if Mr. Lloyd George's information is correct, the figure in the American mind was the rate of interest prevailing when the money was raised, and not that of 1923: "It is hard to see," writes Mr. Wickham Steed, "how, given the circumstances under which he undertook his debt funding mission to Washington . . . Mr. Baldwin could have obtained much better terms."<sup>4</sup>

Mr. Lloyd George says, on the other hand, "I cannot help saying that I think in this matter of Debt Settlements Great Britain has had very shabby treatment, and had Great Britain been the creditor . . . I should have been a little ashamed as a Britisher if we had treated in this fashion a country so closely linked with ours in language, history and race. Perhaps it is unjust to attribute the character of the settlement to the harshness of the American Treasury. It would be fairer to ascribe it to the softness of those who represented our Exchequer."<sup>5</sup>

On February 4th, 1923, Mr. Lloyd George expressed his views at the time in the *New York American* in these words: "We have certainly overwhelming reasons for the policy which the British Government are now pursuing. . . . A

<sup>1</sup> *Op. cit.* p. 120.

<sup>2</sup> *Op. cit.* p. 50.

<sup>3</sup> *Op. cit.* p. 47.

<sup>4</sup> *Op. cit.* p. 46.

<sup>5</sup> *Op. cit.* p. 121.

fraction of percentages is not comparable in value to the good understanding between these two great communities on whose co-operation peace, freedom and international justice depend. . . . The burden will be infinitely less than the indirect burden involved in large purchases with a discredited currency, which would have resulted from further Debt postponement."

The opinions of Mr. Lloyd George have changed considerably in seven years. There can be little doubt that Mr. Baldwin, in Washington in 1923, expressed the views of the average Englishman. At that date even Mr. Lloyd George does not wish to say anything very different. Criticism seven years later is easy and has the additional advantage of being untempered by responsibility. We might perhaps remember that the Sterling Exchange in the early months of 1923, though not at its worst, was still in a very dangerous position for us. Delay, or even hesitancy, might well have done irreparable damage.

On January 16th news arrived in Washington that Mr. Bonar Law had refused to accept the settlement which Mr. Baldwin had arranged. This meant that Mr. Baldwin, if he was to stand by his settlement, either had to face the Cabinet and convert its members to his point of view, or abandon high office. The former course involved disagreement with a man for whom he had a great personal regard and with whom he worked in complete harmony in all other matters. The points which Mr. Bonar Law took were that it was not possible for us to meet our financial obligations to America in full, and that if he imposed the very high taxation which such a settlement involved he must be the most unpopular man in the country. Mr. Baldwin chose to risk unpopularity, as well as his Cabinet rank, and returned at once to England. It would have been easier and safer to have remained in Washington and let events take their own course. With Mr. George Harvey, the American Ambassador, Mr. Baldwin saw the Prime Minister at 6 o'clock on January 29th and according to

Mr. Harvey's report Mr. Baldwin said little in spite of the personal importance to him of the decision which had to be taken. There were many who were more pleased with the Chancellor's efforts than was Mr. Bonar Law. One leading newspaper said that "Mr. Baldwin's handling of his mission has been just as capable, sincere, and effective as we hoped and expected. . . . Nothing could have been better . . . we want to pay."<sup>1</sup> The *Manchester Guardian* was of opinion that "After all our protestations that we would pay 'to the last cent' it is not quite seemly that we should have stuck at this point. It must be remembered that the American offer is undoubtedly generous."<sup>2</sup> And it was generally agreed that British credit was enhanced by a prompt settlement without a dispute over a fraction of a percentage. Another newspaper said that "If Mr. Baldwin has brought enlightenment to the American people he has also been the means of enlightening our own people . . . he talked finance, but he must have seen the other men were thinking politics."<sup>3</sup> But there was quite a large section which was dissatisfied. The *Daily Mail* did not criticise the settlement directly, but dealt with it under such headings as "Misplaced Satisfaction." The *Sunday Express* published a severe criticism: "Baldwin has failed as a negotiator. . . . A ministerial failure."<sup>4</sup> "Mr. Baldwin," wrote the *Yorkshire Observer*, which took the view that we should not pay before our creditors pay us,<sup>5</sup> "took the terms which were offered him. A Treasury Clerk could have done as much."

This makes an interesting contrast to the remarks of Senator McKellar, of Tennessee, in Senate,<sup>6</sup> who said, "the Debt Funding Commission were putty in Mr. Baldwin's hands. He would have had no trouble in making any agreement he might have wished if he had only to deal with the Commission. It would have been plain sailing had it not been for the ignorant Congress."

<sup>1</sup> *Observer*, 14. 1. 23.

<sup>2</sup> 19. 1. 23.

<sup>3</sup> *Morning Post*, 7. 2. 23.

<sup>4</sup> 4. 2. 23.

<sup>5</sup> 6. 1. 23.

<sup>6</sup> 29. 1. 23.

Mr. Baldwin had in his original speech<sup>1</sup> to the Commission in America pointed out the impossibility of meeting our obligations in gold. But he had to accept this condition, and now, as he foresaw, this is one usual criticism of this settlement. If the agreement is carried out it means that we must find a far greater supply than the probable total output of the South African Mines over the whole period. Perhaps he understood what would happen, as he said soon after his return, the settlement "will give students of economy an opportunity which is often lacking to them of observing what happens in practice when large remittances are made at frequent intervals from one country to another."<sup>2</sup>

On his return Mr. Baldwin made some very unwise remarks at Southampton. They were misinterpreted in America, and made the situation very difficult on both sides of the Atlantic. Senator McKellar, a Democrat from Tennessee, in the Senate June 29th, 1923, said: "I am sure Mr. Baldwin's statement that Western senators and representatives and Western people are ignorant of international business and finance is quite untrue. His statement that 'the people in the West merely sell wheat and hogs' and do and think about nothing else is a disgusting attempt at wit and a shining display of ignorance. . . . The terms, which it is claimed that the American Commission offered, are violative of the expressed will and determination of the Congress and they should not have been made by our Commission." The comment of Western newspapers was even more direct. One published a leading article in the following terms: "*The Chancellor of the British Exchequer*, one Stanley Baldwin, has insulted millions of Middle-Westerners with the typical English nasty remarks that our people *raise hogs* and are *ignorant* on international debts and that the great difficulty in the debt question is in the hands of United States *politicians* instead of Cabinet Officers as in England. Perhaps Baldwin has *Hoover* in

<sup>1</sup> 8. 1. 23.

<sup>2</sup> 22. 5. 23.

mind; nevertheless the Middle-Westerners *have* Baldwin's goat and number which is zero.

"The Middle-Westerners know four and *two* legged *Hogs* but raise only four; hence Baldwin's reference to American politicians must be returned to England for real application to the puppets of the hereditary ruling classes.

"Besides *raising hogs*, the Middle-Westerners incidentally *raised billions* of dollars. . . . The same Middle-Westerners will *raise hell* . . . in any international conspiracy to *double-cross* the American taxpayer by amending the *Debt Refunding Act*, which clearly represents the *last word*. . . .

"The Middle-Westerners fully appreciate how the Lords of England . . . are about to pay, in their own way, their fair taxation burdens which can never be unloaded upon the shoulders of the free men of the Middle West of the U.S.A. where the Declaration of Independence is in force 100%."

Mr. Baldwin's remarks were, "You are not settling in America with the Cabinet at one end or with the business men at the other. You are settling with the Congress and the Senate. . . .

"We have got men of our way of thinking in the Eastern States of America, but that does not cut any ice at all in regard to the other parts of America. If you look at the Senate you will find the majority came from agricultural and pastoral communities, and they do not realise the position which exists in regard to the meaning of an international debt. The bulk of the people in America have no acquaintance with international trade. . . . The debt can only be funded on such terms as can be got through Congress and the Senate, and that is the root of the difficulty with which we are now faced."<sup>1</sup>

Sir Auckland Geddes in Washington issued a denial of Mr. Baldwin's statements. But it was not convincing, as they had appeared in many English papers.

At home the position in the Cabinet was also made very difficult. Mr. Baldwin disclosed his terms, and when

<sup>1</sup> Southampton, 27. I. 23.

he said: "My own view is that any change would be in our disfavour," he identified himself with the proposals of the Commission. The acceptance of the Settlement or Mr. Baldwin's dismissal was from that moment the inevitable choice before the Cabinet. It had to choose between its own disintegration and the acceptance of the terms Mr. Baldwin brought. Mr. Baldwin, by what might be construed as a move of masterly cunning, had made his position almost invincible.

In 1931 criticism of the terms was general and Sir Robert Horne, who happened to be in the United States during the negotiations, wrote a letter to *The Times*<sup>1</sup> in which he said . . . "I had many friends in financial circles in the United States, and the Debt Settlement was almost the only topic of conversation. . . . I was in a very special position to discuss what the views of the leading American people were. In order to indicate their gist, it will be sufficient for me to say that even those whom I knew to be most favourable to our interests—men who genuinely regretted that their country had not decided to forego all exaction of War Debts—assured me that as things then were it would be quite impossible for us to obtain a better settlement than that which had been offered to Mr. Baldwin; and that, if we rejected it, we should cause ill feelings of a kind which would injure the good relations between the two nations. One man who was closely in touch with the situation said to me that if we did not accept the reduced terms of interest which Mr. Baldwin had got, Congress would be tempted to stand upon an interest rate of 4½% in accordance with the law which they had already passed. I cannot imagine any competent observer who was in America at that time would asseverate with confidence that the Debt Funding Commission could have been induced to let us off with easier conditions. . . . I could not have hoped to get better terms than those obtained by Mr. Baldwin. So clear was I in this impression

<sup>1</sup> 19. 1. 31.

and so apprehensive of the irritations that would have arisen out of our refusal to accept the modified rates of interest offered us, that in company with Lord Burnham and Sir Auckland Geddes who happened to be in New York, and from conversations with their own circle of acquaintances had formed the same view, I signed a personal telegram to Mr. Bonar Law in which we informed him that, in our opinion, the United States could not then be induced to make further concessions."

Mr. Baldwin saw that the Cabinet were out of touch with the American point of view and that the representations made to them bore little relation to the facts. In a day or two he was master of the situation, and Washington was informed on January 31st that the terms agreed upon would be accepted by the British Cabinet. On the 6th February President Harding himself addressed a joint session of Congress and submitted the report of the Debt Funding Commission. In the House of Representatives the acceptance of the Senate Changes Act was moved by Representative Fordney, Chairman of the Ways and Means Committee. During the debate Representative Edmonds, of Pennsylvania, brought forward a resolution in the House, which suggested that as so many Americans were in favour of cancelling the debt, individual holders of United States War Bonds might surrender them for cancellation and indicate the country which was to be the beneficiary. This was defeated. Only one Republican, however, spoke against the proposed settlement, and the motion was carried almost without opposition (44 votes against 219).

In the Senate the passage was more difficult. In the first place there was the Ship Subsidy Bill which was set down as the unfinished business of the Session ending on March 4th. This was a Party measure backed by the President, and if it was deferred its chance of ultimate success was gone. Defeat in this measure would have been a grave party loss. Then there were many who supported Senator McKellar, who had said: "Under this agreement

we are indirectly allowing the British Government to tax the American people.”<sup>1</sup> The other view was well put by Senator Borah who criticised the settlement and said: “I would rather see every dollar Europe owes us cancelled if European conditions could be adjusted and European markets opened—ininitely more important than the payment of debts in the adjustment of the economic conditions of Europe.” Eastern America appreciated the skein in which it might become entangled by its export policy.

Ten years have passed and Sir H. Gloster Armstrong, who was British Consul-General in New York at the time, in a speech to the English Speaking Union,<sup>2</sup> said: “I know from the best financial opinion of New York at that time that Mr. Baldwin got the last thirty-second that was obtainable.”

As in 1922, so to-day, England wants to pay. The Balfour Note was a disaster, not because of its sentiments but because of the moment chosen for its publication. Our newspapers have to-day made exactly the same mistake. They roundly abuse our creditor and state that payment is impossible. They are mistaken, again not necessarily on account of their sentiments, but because such comments do not make our relations with Washington easier. This is doubly unfortunate, as the papers do not represent the views of a large body of Englishmen. The country is crushed by taxation, and year after year tremendous sacrifices are made only to maintain Departments and Services the desirability of which would be questioned even in prosperous times. The country cannot at this moment afford to retain Whitehall as it is.

So much money is spent with no purpose or result on an annual budget of over eight hundred million pounds that the average Englishman is unable to appreciate the argument that his country *cannot* find the thirty-three million pounds which are due to America this year. He

<sup>1</sup> Congress Rule 1, 1923.

<sup>2</sup> 24. 2. 31.

has always been jealous of his reputation for national integrity. He sees that, in spite of years of banking and international finance based on security, even national credit springs fundamentally from national character. He has really always known this in his heart. He knew Disraeli was right when, in *Sybil*, he condemned our system of "Dutch" finance, and said we were mortgaging industry to protect property. The evidence is even stronger now. "Security" is proving itself useless. England wants to pay. This is as true to-day as it was when Mr. Baldwin correctly interpreted the desires of the average Englishman in 1922.

That settlement meant that we were to pay the American holder of Liberty Bonds not more than  $3\frac{1}{2}\%$  while at the same time we were paying our holders of War Loan at the rate of  $5\%$ . The contracts were essentially the same, and so far as payment was concerned the people differed only in their nationality and place of residence. Scaling down War Debt, reduction of interest, or any other method of dealing with the problem cannot logically be advocated for the external debt if not applied also to our internal debt. There is, however, this to be remembered: it would be a definite benefit to Eastern America, with its export trade, if the debt were cancelled, as each payment reduces the purchasing power of its customers. But it would be exactly a similar benefit to English production if our internal debt were cancelled. Our productive interests cannot be successful until the burden of taxation is reduced. At the moment nearly half our annual expenditure goes in payments of War Debt. This burden is largely borne by the producer. Before we can ask the Eastern-American to consider the benefit which he would receive from cancelling the debt, we should prove the benefit of such an action to him by applying the principle of cancellation at home.

The Middle-Westerner is unlikely to accept reduction or cancellation on any other basis. He had not the Easterner's direct interest in the War, and he subscribed individually

to Bonds backed by Great Britain, just as individuals in Great Britain subscribed to War Loan. He wants his interest, and his case is invincible. London and Eastern America have identical financial interests based on export trade. Cancellation would have helped them both in 1923. But the Western Farmer, whom New York regards as stupid and backward, does not desire cancellation. His interests are similar to those of our producer. The more the home producer pays the Western Farmer, to a great extent, the less the Eastern-American will sell, and the sooner will the gold become frozen. The financial crash would by that time be inevitable. Both London financial interests and those of the home producer would greatly benefit from the cancellation of our internal debt. Eastern America would benefit from the cancellation of our external debt: the Middle-Westerner is the only one of these four parties who would receive no direct benefit from any cancellation. He could only receive the indirect advantage which would come from an economic system within a self-supporting America constructed on more secure foundations. So far as direct advantages are concerned, internal cancellation seems to provide at least as many advantages as external cancellation. External cancellation, it is true, would benefit England at the expense of America: internal cancellation would benefit one class at home at the expense of another. The suggestion made by our politicians that external cancellation would be advisable is an exact parallel to the position taken up by the opponents in the Senate of the settlement in 1923. Both appreciated their position would not be weakened by posing as the defenders of their national interests.

We must, also, not forget that the time agreed upon for repayment was at our own request extended as long as was possible. Repayment over a shorter period would have imposed a correspondingly higher burden upon our taxpayer.

Mr. Bonar Law may have been right when he maintained we could not pay. He looked at the problem from

purely the economic point of view. We *cannot* pay if we maintain our internal payments on War Loan even at the rate of  $3\frac{1}{2}\%$ , and at the same time retain the luxury of our extensive Bureau. At least one, and possibly all these three burdens on the English taxpayer must entirely be removed, or at least materially reduced. In 1922 Mr. Baldwin said, in effect, that the last burden to be lifted was our payment to America. Englishmen immediately knew that he was right, and the changed conditions ten years later have not led them to alter this view.

## CHAPTER V

### PROTECTION

At each stage in his early political career Mr. Baldwin appeared as a simple, easily comprehensible person. He created himself slowly round a consistent political belief and became a force in a definite direction. There was no confusion in his personality and no confusion in the estimate that other people made of him. He was a Midland industrialist first and foremost and for such a figure the highest position in politics might some day be vacant. Only journalists wrote nonsense about his "cultivated and exquisite intellect" since he bid fair to possess something greater than mere intellect.

Those were the days when the industrial problem was passed over unsolved. There was no power which could co-ordinate and control the enterprises and inventions of the last fifty years. In the early years of the present century all the important political questions were subsidiary to a fundamental point at issue. The real struggle in English domestic politics was between production and consumption. In time it may seem absurd that any issue could have been joined between two complementary forces; but at the outset of Mr. Baldwin's political career the battle waged furiously. The producers were prepared to stand or fall by Protection. The consumers were prepared to lay down their lives in the cause of cheap food. The one side was influenced by the fear of unemployment; the other by the desire for a wealthier and more emancipated existence. It was an irrational contest, as in the event

of unemployment materialising the masses would still demand cheap food, because when the emancipated life became impossible cheap food would be the only safeguard against starvation. Self-interest obscured the most important warning post on the road of civilisation.

Far greater forces came to obscure the object of political development. The shipping of these cheap imports had created a strong vested interest, and in the insuring of an ever-increasing population it had become a trade to give the wage and salary earner the security that once had only come from holding capital. As the British Navy had enabled British shipping to take advantage of this situation, so British chimneys smoking for a hundred years had enabled London to become the banking centre of the world. These three vast interests of shipping, insurance and finance had joined the supporters of cheap food. The methodical mind of the economist had honoured them with the style of invisible exports. It was small wonder therefore that feeling ran high when the old Conservative Party became wholly identified with Production and Protection. Especially as a new type of manufacturer was joining the Conservative forces not so much out of statesmanlike foresight, as in resentment of falling prices. Here was the moment for a young politician to have cleared in his own mind the issue that is now so patent.

The year of 1906 may be well adjudged as the most vital date in English history. That was the impressionable moment which must have framed the outlook of most contemporary statesmen. Leadership, authority, principle and even civilisation was undermined by the decision to account material desires higher than the dictates of prudence and culture. The fiscal issue was clouded over and obscured in tactics. The lying of the demagogue brought gold to the city and ears were deaf to the Jeremiah's who bade the orgy to cease. It was regarded as an insult to keep in corduroys a man who could wear a black coat of shoddy. Mr. Baldwin was imbibing the atmosphere. It

## PROTECTION

105  
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was obvious in his early speeches in the House of Commons. It is perhaps necessary to delve deeper into the circumstances that explain the real mission of his public life.

As a young man Tariff Reform had been the one dominant subject in his mind. In his early years of intelligent interest people spoke of little else. He had heard the arguments from his father. In his turn he had explained the subject up and down the Worcestershire villages that comprised his constituency. The records left of these speeches are cuttings from the local journals which were inevitably prefaced: "Mr. Baldwin then dealt with the subject fiscal reform, remarking that the question of utmost importance at this time was unemployment and for this problem Tariff Reform would offer a solution." His arguments were clear and showed imagination. The Radicals respected him as one who delivered clear-headed, convincing speeches, which they found it uncommonly hard to answer. On one occasion they opposed him without any chance of defeating him in order to prevent his speaking in neighbouring constituencies. The success of his father in 1906 had established a tradition for Tariff Reform on which the division prided itself. The most cogent argument in those days was that by a tax on foreign manufactures more work would be secured for the population in the towns, and so the demand would increase for the products of the countryside. It was perhaps a mere forensic inducement to an agricultural constituency, but it was on the whole a sound argument. It was not quite sincere, because the townsmen would always have to be fed on imported food, and the truth was that British agriculture had to be maintained at any costs even by subsidization. To have gone so far would have offended the orthodoxy of the iron laws of supply and demand which governed England before the War. *Laissez-faire* was a tradesman's policy and not a statesman's, but Mr. Baldwin could not have ventured to have been so outspoken. There was even then

a certain amount of propriety expected from young men in the Tory party.

He appeared one evening at a little parish in the neighbourhood of Stourport. It was a typical Conservative meeting and Mrs. Baldwin accompanied him on the platform. The chairman, being a naval man, upbraided the Government, because it would not prepare for War, but the local member embarked on the subject of Tariff Reform. It was an interesting speech and epitomised the situation as it then existed. He said:

“The stricter tenets of Cobdenism no longer charm the people and our opponents are unwilling to confess that they have made a mistake in judging the trend of public opinion. It is quite clear that the cry of cheap food and economy will be powerless to resist the tide that is coming in. There is only one way in which Cobdenite finance may make specious provision, and that is by introducing a Budget on lines which give no permanent increase of Revenue from the new taxes—a kind of rainbow end which it is hoped people will run after to find the proverbial cruse of gold at its base. Accordingly a campaign is entered up in which an attempt is made to stir up the envy and hatred of the poorer people against the richer people—not realising that the only way to increase the permanent prosperity of the country is not by threatening industry and spoiling individuals, but by taking such steps to protect trade as will increase the amount available for wages. This course will alone make money filter through to the people. I am against the Budget as a whole because it is brought in as an alternative to Tariff Reform. As a Tariff Reformer I am against anything that will lead people though only temporarily, away from what I believe is the only policy that will save the industries of this country and the wages of the people in the years of international competition that are ahead.”

The prolonged applause of squire, gamekeeper and labourer alike showed an understanding and an appreciation of the warning.

Mr. Baldwin can scarcely have had any idea in 1909 of how long the "stricter tenets of Cobdenism" would take to die. He perhaps failed to see to how many stratagems strong vested interests would resort before they abdicated. At a time when he did not aspire to the highest office he could not have believed that the defeat of Free Trade would only be accomplished in blood and tears. To have had his own career sidetracked at the first attempt by the irrelevancy of Chinese slavery was not a sufficient lesson. At that moment the House of Lords was to be the dupe. The remnants of a class unbiassed in the cause of public service were not to be allowed to save the defenceless masses from their friends. They had committed the offence of using their right to reject the Budget of Mr. Lloyd George. A duke, apparently, had no right to interfere when a labourer was being bribed by an employer with a cheap meal to place himself in the hands of an insurance official and a sanitary inspector whom normally he would have thrown into the village pond. In such a manner were the truths of the Tariff issue obscured.

Mr. Baldwin was exceptional by his consistency and kept the real issue clear in his own mind. He attacked the Land Tax which became the next diversion. The incomes which well-known people derived from ground rents had been bandied about with all the impropriety which became the demagogue. There was supposed to be something odious about unearned increment. The idea of a ground rent falling in would inflame a mob. The world always wanted rich men until, as Samuel Butler pointed out, it had them, although the psychological explanation of the pre-War Liberal was probably that he could not trust others, who had learned the art of spending money, when he in the same circumstances would only have become a vulgarian. If the industrial speculator valued his contri-

bution to civilisation at ninety-nine years it was not the landowner's fault, who with the movement of industry, was always liable to receive back the value of his corn-fields. Mr. Baldwin viewed the subject in the immediately practical light, and pointed out that the Friendly Societies themselves had large investments in land. Municipal authorities were also extensive holders of their local ground-rents. The speculator in real estate, who was a parasite of the worst type, the Liberal Government were not so concerned to curtail, since he had not the propensities of a duke for keeping attention off the main issue. Mr. Baldwin pointed this out, and on one occasion disclaimed an intimacy with dukes.

On several occasions in 1910 the future Tory leader declared himself actually in favour of food-taxes. As a disciple of Protection he was more ardent than he was to be as a master. In answer to an enquiry whether he was in favour of the Birmingham Tariff Reform Programme, he replied in the affirmative. Mr. Balfour had promised that the price of food should not rise and that the tariff should be scaled to that effect. The duties were to fall on maize, bacon, wheat and other staple foodstuffs, but the Conservatives promised a commensurate advantage from the rise in wages. Mr. Baldwin told his own constituents that agricultural wages were subject to the ordinary laws of supply and demand. Under a tariff system there would be more demand for the products of the countryside, consequently there would be more demand for labour, and wages would rise correspondingly. His electors showed their confidence in this logic by giving him their votes. Mr. Baldwin showed his confidence in himself by preaching the crusade regardless of the consequences. Three years later a world war brought profits to the farmer, and to-day the farm-labourer is more secure against serfdom than any other members of the working classes. Nevertheless food-taxes still remain the only weapon that can stabilise home agriculture and give permanence to the race.

It was because Mr. Baldwin's mind saw beyond pure economic considerations that he was to become the sanest of public leaders. He was a producer of the old school, who asked for permanence for his enterprises. The man who presented a hundred thousand pounds to the nation was never prone to become delirious over dividends. To-day the citizen who wants a Government of business men does not want this Mr. Baldwin. He wants suicide. He would prefer Mr. Lloyd George to electrify the railways and macadamise the countryside. There is always an asphalt way to bankruptcy in mass produced motor-cars. The mind of the peasant which is sceptical of this progress is nearer the truth. Of such a mind Mr. Baldwin was possessed in the years before the War. He saw deeper into the problem than the student of figures and statistics. Even Richard Cobden had said in 1841:

“The race of men and women in the British Isles is the finest in the world in a physical sense; and although they have many moral defects and some repulsive qualities, yet on the whole I think the English are the most outspoken, truthful men in the world, and this virtue lies at the bottom of their political and commercial greatness.”

Mr. Baldwin approved the sentiment but he mistrusted the Cobdenite method of attaining its realisation.

It is the position of agriculture and the maintenance of the moral fibre of the nation that go to the root of the fiscal controversy. It is a question of principle, and it is certainly not a question of expediency. The principles concerned are political and the expediency is the economic matter. If it was generally realised to-day that politics controlled economics, a clearer estimate of the position could be made. Free Trade and Protection are only weapons to achieve a policy. When a party is unable to demonstrate a principle it often makes out that its economic

policy is an expedient, but that is a deceit of party politics. Mr. Baldwin raked up a bad quotation of Disraeli on the subject of Protection and expediency when he had to buy the Liberals to save the nation. Mr. Joseph Chamberlain never allowed the issue to be allied with such manoeuvres. It was Mr. Balfour actually, who in 1903, had summed up the whole position clearly: "The plan we have to adopt must evidently depend on the end we wish to secure, upon the kind of state we desire to create or maintain." It is precisely because Free Trade tends to destroy the moral and physical qualities in the race that Cobden's own words are dangerous special pleading. The truth of the case, as Mr. Baldwin had always seen, was not written momentarily upon the balance sheet but indelibly upon the character of the nation.

The essence of the Free Trade system is the fluidity of capital and labour to the places of greatest profit. But, however excellent the material results, such a policy must become inconsistent with the needs of political society. The radical mind tends toward the fluid, the Conservative towards the static, but the principles of policy may favour either. Furthermore the pure economic argument becomes upset in actual circumstances. Because man is ruled by custom, has an intense love of home, cannot move without risk, and finds new traditions difficult to acquire, labour can never achieve the same fluidity as capital. The Free Trade argument is defied by the normal instincts of mankind. Its opponents are the static, indigenous members of the race, the peasantry. Both Adam Smith and Cobden professed a respect for the indigenous person, but he is the natural Protectionist and barrier to Free Trade. Theory is always shattered by the peasant, and Mr. Baldwin's natural inclination has been to be a peasant leader.

There are even limits to the fluidity of capital where it is privately controlled. Despite the Stock Exchange and modern banking, business channels change slowly, and where the capitalist wishes to superintend his own enter-

prise he is loath to change his home and district to the dictates of profit. In this respect the most indigenous employment in capital on a large scale must have been the Baldwin ironworks smoking away in the heart of Worcestershire and employing the dwellers of the Severn-side. We have already seen that a higher ethical code was possible under the circumstances and that Socialism was for some years unknown. It should be clear that at the root of the Free Trade idea is that sense of impermanence and fluidity which threatens the moral integrity of a nation and encourages anarchy and unrest. It is the presumption that what is economically natural is preferable to what is politically desirable. The Liberal always expects his opponent to show the contrary, whereas in the past traders had to overcome the suspicion that their exploits might be harmful to the State.

It is manifest that some artificiality has to exist to check natural fluidity from obliterating national culture. Civilisation totters to-day under the materialistic influences of *laissez-faire*. Statesmanship being little to do with pure economics and everything to do with politics, has disappeared. Protection has been for thirty years the only weapon with which the statesman could have saved society from the continuance of material progress and cultural extinction. That was the importance of the Tariff Reform campaign, even if its immediate protagonists had other motives, and was the importance of the election of 1906 in the history of modern civilisation. The hope at the moment is scant, because Mr. Baldwin has not proved capable of utilising the experiences of those momentous days. With the employment of capital and labour on a free unprincipled basis the outlook is desperate. Capital having no remunerative employment at home goes elsewhere or disappears. Labour naturally returns into slavery. A world that is swollen with riches and enterprises, ceases to be "credit worthy." The sole responsibility for this rests on the Liberals and their arrogant individualism. The

only hope in the last resort is the control of trade and science by a sovereign government, and that is difficult to visualise except for the example of the Italian experiment. Mr. Baldwin has been the vague centre of English politics during their deliberate decline. By fighting to maintain agriculture in the face of urban voters and fixing attention on morals rather than on economics he has kept the head of the country above disaster. He has made the ground pliable where he has been unable to plant. If he has failed as statesman he has brought some tariffs into existence and illustrated the principle that lies between national life and national death.

It was natural that Mr. Baldwin's first plunge into the conflict as a leader should have been tinged with the enthusiasm he had held for the cause through all these years. It remained to see how the weight of ministerial responsibility could dispel the day dreams of the political reformer. Mr. Bonar Law had become Prime Minister with a substantial majority in October, 1922. The policy of his government had been one of "tranquillity" following on the fall of the Coalition. It was out of those events that the Tariff issue came to the forefront for the final stage.

It is difficult to recall the unpopularity of the Lloyd George Government in the years after the War. They had spent money recklessly, and only balanced their budgets by using funds received for war materials which in their turn had been bought by lavish borrowing. They had maintained the Excess Profits duty which was a distinct breach of faith. Europe seethed with dissatisfaction, while a succession of conferences left the Reparation question still further from settlement. Any hope of a sound agreement over the American Debt had been frustrated by the Balfour Note. At the moment when France, Germany and the United States were most unsettled the Government had managed to bring events in the Near East to an armed crisis. That was the story of mismanagement which became the background to the new tariff campaign of 1923. Mr.

Bonar Law's "tranquillity" Government was short-lived. Mr. Baldwin succeeded him at his retirement; inherited the full legacy of wartime disaster and stood face to face with the prospects of a bleak winter in 1923.

During the summer the new leader of the Conservative Party was in a difficult position. His only reason to doubt his own ability in high office was that he might be denied the use of tariffs. If he could not give the nation the advantage of his life's experience as an industrial leader it was doubtful whether he was preferable as a statesman to Lord Curzon whom he had displaced. Mr. Bonar Law had given a pledge in 1923 that there would be no fundamental change in fiscal policy during the Parliament then elected. It was a broad promise in interpretation, but the first moves towards Protection had created apprehension. In April Mr. Baldwin had hinted his resignation on the grounds that the Safeguarding of Industries Act was inadequate to the situation. The nation, as so often before, expected salvation from the Conservative Party, with the exception that it did not wish to pay for it materially. Peace and strong government were to be obtained for a breathing space while the politicians of the left could plan out further theories of squandermania. The Conservative Party had a harder task than in 1906, if it was to bring the country to its senses. However, Mr. Baldwin was full of hope.

As soon as members of the Government became suspect of nefarious designs on the people's food the old pre-War spirit burst into flame. It was to reassure the nation that Mr. Baldwin made his famous speech at Plymouth on October 25th. He said:

"Mr. Bonar Law's pledge given a year ago was that there should be no fundamental change in the fiscal arrangements of the country. That pledge binds me, and in this Parliament there will be no fundamental change. I take these words strictly and I am not a man to play with a pledge. But I cannot see myself that any slight extension

of adaptation of the principles hitherto sanctioned in the Legislature are breaches of that pledge. At any time that I am challenged I am always ready to take a verdict.

"Now from what I have said I think you will realise that to me at least, this unemployment problem is the crucial problem of our country. I regard it as such. If I can fight it I am willing to fight it. I cannot fight it without weapons.

"I have for myself come to the conclusion that owing to the conditions which exist in the world to-day, having regard to economic environment, having regard to the situation of our country, if we go on pottering along as we are we shall have grave unemployment with us to the end of time, and I have come to the conclusion myself that the only way of fighting this subject is by protecting the home market."

This final remark was greeted with a full throated chorus of "Good Old Baldwin." The throng that had opened the gathering by bellowing "Rule Britannia" departed firmly satisfied that Mr. Baldwin was the ideal person to gaze down from the walls of musty committee rooms decked in red, white and blue ribbons. The Party in all its over-centralised glory was watching over Home and Empire again. The strange vicissitudes of Dukes and Land Taxes had been forgotten. The dream of Joseph Chamberlain might be the last resort of the unemployed that winter, and the primroses would be blooming again in the spring.

the Prime Minister, but he remained confident that his course was the correct one. The country unfortunately became of opinion that they were being duped by the sudden appeal. The Conservative Party lost ninety seats; Mr. Asquith put the Socialists into office; and a widespread revolt broke out in the Conservative ranks. A virtually broken Mr. Baldwin, having nearly courted retirement in the highest move of the whole tariff campaign, became leader of the Opposition to Mr. Ramsay MacDonald.

Immediately it was current opinion that Mr. Baldwin had been over-persuaded by Mr. Chamberlain and Mr. Amery; it was thought that he had wanted office and failed to measure the chances of defeat. Judged by his own record that was hardly likely. Furthermore, there were people who attributed to him the subtlety of riding for a fall in order to return with the majority of 1924. Some considered that he intended to be in power for the General Strike. Mr. Baldwin had said himself of this election that it united the party and gave it a popular impetus in 1924. It would have been impossible at that moment to have foreseen the assistance that the Red Letter scare would give. It is absurd to attempt to attribute subtlety to Mr. Baldwin's sincere and artless movements up to November, 1923. The protection debacle was tactically quite simple. His subtlety developed later in his career.

Both Mr. Chamberlain and the Conservative leader have been conspicuously unsuccessful at receiving the rewards of their labours. They are not possessed of vivid personalities. Their right judgment consequently becomes forfeit to the wrong judgment of the electorate. They seem at times too English for an England that has become uncritical in its estimates of politics and believes what it reads in headlines. They ruined the de-Rating Act as a political move by allowing it to coincide with the reassessment. Undoubtedly disaster was courted by moving into the Tariff controversy without warning or showing any determination in the venture. Mr. Baldwin had been brought

up on the Tariff question, but he gave the impression of having improvised a rough policy. He framed no programme in advance of the Tariff campaign, because he considered it natural that his ideas would be understood. He never realised that in the event of defeat he would have to explain to the hoary heads of Conservatism, that Protection was more important than office. In the face of that winter it was far more important. The great crash in Mr. Baldwin's career was due to taking too much for granted. The grave error, however, was not to have made a martyr of his cause, and to have so lost his nerve as to descend into mean alliances in the last stages of the conflict.

Mr. Gowans Whyte who wrote a character study of Mr. Baldwin some years ago, summed up his attitude in 1923 very clearly. He contended that "it was an undoubted expression of Mr. Baldwin's personality." He wrote:

"His policy, that Protection provided the only logical cure for unemployment, was the logical outcome of his industrial faith, built up on years of experience as a British manufacturer. The adoption of Protection as an emergency measure was an easy step for a man who had fought consistently for Tariff Reform. It was, however, not so easy a step for the rank and file of the electorate, after more than one election in which the Tariff Reform policy had been defeated.

"Mr. Baldwin counted on the urgent facts of the case working a conversion on the average man and woman within a few weeks. The event proved that in so short a time, argument had little effect on the prejudices and traditional outlook of the people.

"A demagogue would never have made such a miscalculation. He would first of all have sounded the heart of the electorate, and then applied his stimulus in astute doses until the desired effect became evident. He would have made full allowance for the time factor and mental inertia in the dense mass of the electorate.

Being very much a crusader and not at all a demagogue, Mr. Baldwin put the issue to the test with as little preparation as hesitation."

It was quite true that here was not the personality to be the leader of a universally enfranchised nation. Mr. Baldwin has never possessed mesmeric qualities and is too little concerned with other people. There was no fault in gambling without weighing the opinions of other people if he had been prepared to continue on the same impulsive course. It was no use to controvert all the canons of caution that apparently a democratic leader is supposed to possess if he intended in two years to be the most deplorably responsible of statesman. He cast his dice on Protection or death and then chose to carry on, pretending that the dice had never been thrown. The defeat was not his Rubicon; the tide in his affairs arose during the few days afterwards. The impression that he was surprised at the defeat could have been covered to the public by a truculent despair of the sanity of the country. He could have gloated over the prospects of a desperate winter since it was certain to materialise. He could still have remained the Tariff champion and eventually won the support of the national section of the Socialist Party, who must have declared for Protection. He could have been a second Joseph Chamberlain if his phlegmatic temperament had not overcome his natural impulse, but he chose the alternative and became the mere capital of the grandiose ruins of the Conservative machine and the Lord Liverpool of the twentieth century. It was the greatest fall and has been the most disastrous compromise in English politics. More deep-seated than the fear of the Conservatives to face a crisis after the Parliament Act in 1911, it has postponed disaster and denied the nation its last leader.

The problem that confronted the Conservative leader was not difficult, he could have gone to Birmingham and reawoken the echoes of Tariff Reform. He could have

smashed abuse and invective into the nation instead of honouring his words at Harrow School, that "as a true son of the Hill, if he was to fail he would not whine." He could have thrown back the leadership of the party regardless of who would take it, and still have returned the saviour of his country in the black years ahead. He had nothing to lose or fear. He would not have shared the fate of the other strong characters that democracy has superannuated. Their misfortune has as often been their inability to be trusted as their lack of caution. The time was ripe in 1923 for a statesman to walk out of office having given the warning, and Mr. Baldwin with an untarnished political career could have afforded to have taken such a decisive step. He never had any reputation but as the provincial Englishman, the saviour of industry and the herald of Tariff Reform. As that he was a bigger figure than Mr. Winston Churchill or Lord Curzon or Lord Birkenhead. When he diffused his energy and left the open trail they became his masters because he was too steadfast and provincial to flutter about in the dovecots of dialectics and diplomacy. The people would soon have respected out of curiosity the honest character whose windows they could have broken. There would have been no necessity for Lord Beaverbrook in 1930. It was when *Punch* had depicted Mr. Baldwin as the Practical Visionary dressed as a farmer and pushing the plough of Goodwill that his career became second-class and the party became again dependent upon retired soldiers and garden fêtes. The proof of this criticism is his subsequent career.

In 1925 he was a changed man although the master of a huge majority. The last echoes of the fighting speech at Plymouth had died away and the sanguine hopes of the industrial leader had been watered down into the pallid fears of a party politician. He had no light cruisers on the stocks this time and no prospects of increasing employment. As the industrial storm gathered there was no chance of a single tariff coming materially or psycholo-

gically, to the aid of industry. There was a deadlock because the prospects of starvation made the "dear food" bogey loom larger than ever in foreground. Mr. Baldwin displayed the first vestiges of that inferiority complex that is now a common feature of his speeches. He went, perhaps unfortunately, to Birmingham in the early March. He fumbled from the outset of his speech after Joseph Chamberlain which was perhaps a little indelicate since it was rather a case of "home they brought her warrior dead." He commenced:—

"However hardened a public speaker may be and in however many places he may have spoken he cannot rise for the first time in the Birmingham Town Hall before a Birmingham audience without a thrill of emotion. For a generation this great Hall was associated throughout England with the names of two of our greatest orators—John Bright and Joseph Chamberlain.

"Though we who are called, so far as we are able to fill their places in the struggle to-day, may fall short of them in eloquence, we can at least be stimulated by their example, so that we do not fall short of them in sincerity of purpose and in truth and in an honest endeavour to improve the condition of our people."

The mention of the name of John Bright should have prepared Birmingham for a dejected warrior. Although Mr. Baldwin was making his first visit as Prime Minister he sang no pæan of victory. This attempted universality of appeal was a change from 1909 when he had bitterly derided John Bright for having opposed Lord Shaftesbury in shortening the hours of the Lancashire Mill children. The most unimportant of figures historically and the most hypocritical of men personally, John Bright had little claim to be mentioned again in the speech of any Prime Minister. Since, however, he had sold his cause praising the heroes of his adversaries was to become a common vice

with Mr. Baldwin. Furthermore, the moral tone was a proof of a man inferiorly adapted to circumstance. The circumstances which caused the Prime Minister to descend from the crusader to the moralist must be examined.

It was clear that Mr. Baldwin with one follower and tariffs would have been stronger than he was with a vast majority and a betrayed cause. He attempted in this speech at Birmingham to smooth over the condition of Europe. The only consolation was that Mr. Austen Chamberlain, then Foreign Secretary, was leaving for Geneva to attempt to grapple with the situation. Actually he was to denounce the Geneva Protocol and cause the resignation from the Cabinet of Lord Robert Cecil. So weak was the Government that instead of making capital out of these two salutary actions it was forced to apologise. The previous day Mr. Baldwin had defended Mr. Austen Chamberlain in the House of Commons from an outburst of public indignation at his handling of foreign affairs. The Government majority was already overwhelmed by events. When the Cabinet made a move it was not that their direction was wrong, but that they themselves did not appear to have had any will in taking the course. At that moment Europe was unsettled, public opinion was drenched in sentiment for want of leadership, and there were one and a quarter million unemployed on the register. In such a position the message of hope delivered in the Birmingham Town Hall was a little ironical. It demands a careful scrutiny.

Mr. Baldwin said:—

“If we look at the figures of our trade as a whole, we do indeed find some ground for moderate hopefulness. We find that the balance of imports over exports is not proportionately larger than we are accustomed to, and that our invisible exports come to our rescue as they did before the War and we cannot yet say that we have an adverse balance.”

If ever the ability to protect was needed, it was at that moment. Mr. Baldwin must have known that invisible exports were nearing their highest figure and that their fall would be much more precipitous than their rise. This had always been the melancholy prospect of Free Trade nearing its conclusion. When Sir John Simon explained the fact to the Labour Government the first National Government came into office with a free hand. In 1925 the Conservative Government was forced into Socialism, because it could not protect the nation fiscally. Unless Mr. Baldwin accepted the Liberal view that a balance of payments compensated for a balance of trade, his remark about invisible exports was a constructive lie. He was inducing a false hope while conscious of its falsity.

The remainder of the Birmingham speech gave an insight into the industrial situation that has beset post-war Governments. It gave a clear picture of the fallen personality of Mr. Baldwin in 1925. He gave an illustration of the price of a certain piece of machinery in several different countries. The machine which cost a British firm £565 to manufacture in England, cost £520 in Germany and £400 in France. The reason for the discrepancy depended on many considerations. Where, asked Mr. Baldwin, did the root causes lie, and what was the solution? Was the failure to compete the employer's fault? Was it due to over capitalisation, defective management, or waste of plant and material? Was the failure the State's fault; the absence of marketing facilities; the use of unskilled labour abroad or the granting of subsidies on the Continent? If the men looked into the question would they find great fluidity and the absence of demarcation disputes in the different branches of alien labour? In this manner the Conservative leader examined himself to elucidate what he had known since boyhood. It did not really matter beyond employing clerks and economists how much or how little these questions were investigated since they each revealed the same fact that in a free market the standards of the highest are always

sacrificed to the standards of the lowest. Furthermore, the use of labour was artificially controlled, while the product sought its own level in a free market. All that could be concluded was the impotence of British statesmen to decide arbitrarily what standard of living was just for an Englishman, and to stabilise it. Mr. Baldwin's suggestion that there should be a mediaeval "truce of God" to allow all sections of industry to come to an agreement on the causes of the trouble was in the circumstances fatuous. It was the first hint of the modern habit of calling a round table conference in order that fools may persuade each other of what is already known.

Mr. Baldwin, the recent champion of Protection, had in two years reached the nadir of self-deception and insincerity. He emphasised, however, the negative quality of his new-found leadership by declaring the advantages of having a "neutral" person to preside over these business conferences of employers and employed. It was clear from this reasoning that when he came to appoint a neutral person he would choose a Liberal. He had actually within a year appointed Sir Herbert Samuel to the Coal Commission, perhaps forgetting that no Liberal is unbiassed when he has an interest vested in the present economic system. Nevertheless, Mr. Baldwin buried the economics of the Birmingham School that afternoon. The dim horizon of Empire faded. Baldwin of Worcester had betrayed the Midlands.

If Mr. Baldwin is to be defended, the system of party politics is to be condemned. His course in the fiscal controversy has been mapped out by the circumstances in which he has worked. So far as the principles of Protection were concerned it was too late to vindicate them without an overwhelming disaster. When the time had been favourable in the past, democracy had bolted the door. Invisible exports stood on balance at their highest figure in 1929, which was four years later, and although Mr. Baldwin must have known that the disaster of 1931 was inevitable, after his failure in 1923 he could only have used Protection to curtail the remaining years of a Fool's Paradise. The

statesmen who did the right thing must have deliberately caused a disaster, and it would have been no excuse that under the existing system a time would arrive when anyhow the Budget would be scarcely balanced. The facts were that the time had not as then arrived. It was in 1930 that the invisible exports fell on balance from natural causes, while furnaces were being slaked down at the same moment. To have caused that disaster consciously and set the country on a firm basis would have convulsed world trade and required a Napoleon. That, in effect, was what the critics of Mr. Baldwin can be seen to have demanded.

Moreover, Mr. Baldwin well knew that the mysteries of a tariff programme had to be secret and esoteric, whereas under a democratic constitution even a tariff system would have to have had general approval and open growth. If a leading nation was to have made a reversal of economic policy it must have done so at a single blow to reap any benefit. It would have been impossible to have explained a scientific tariff to an electorate. It was a task for a dictator, and beyond the ability of Parliament to effect. An Order in Council would have been the only procedure, and no pure party leader would have been strong enough to withstand the reactions. For years the sincere Protectionist has only had the single alternative of retiring from Parliament or abandoning the cause.

In addition to the interests that existed on the Free Trade system, Shipping, Insurance and Finance, Mr. Baldwin had to contend with the growing power of the over-centralised Trade Unions. They, too, from being a function in the State, had acquired an acknowledged interest in affairs of the nation. Although Protection and the chance of employment would for many years past have pleased the self-respecting workman, it would not have suited the Trade Union system. If the State had been prepared to protect the standard of living of the worker there would not have been the same need for the worker to protect himself. Labour only organises to protect human life from sweating

in a free market. The Guilds maintained a certain standard by the apprentice system, and offered the public a hall-mark of quality against the tendency to cheapness from competition. In fact until Adam Smith broke the aristocratic philosophy of the Guilds there had been no chance of cheapness or sweating,—the inherent vices of Free Trade. The Trade Union movement was only the inevitable consequence of an imprudent system. Its existence has been unfortunately complicated by a type of official, who like all salaried politicians, has become a parasite, wielding power without responsibility. A movement with all the virtues of the Guild system had arisen with all the vices of bureaucracy and sentiment. Because a full protective system would have destroyed the vested interest of the Trade Unionist, Socialism has favoured Free Trade. It is an anomalous position when the relation of organised labour to a free market is remembered; the Trade Unions imply by their existence opposition to the Free Trade idea. Nevertheless since the War any statesman would have had Socialism to contend with if he had forced Protection on the home market. So jumbled is the philosophy of Socialism that they growl about foreign investments, the outposts of Free Trade, and yet expect the income from them to pay the dole. Every year of Mr. Baldwin's life the issue which he understood in the days of Joseph Chamberlain has grown more complicated and obscure. It can indeed be argued that it was a master stroke of statecraft to allow the T.U.C. to break itself in 1926 and Invisible exports to wilt away in 1930, all the while praying for a "truce of God" and saying "Steady! England! Steady!"

The way in which Mr. Baldwin has made the best use of circumstances has been by Safeguarding. It has been an ignominious comedown from the Tariff programme of before the War, but ignominy is not the worst condition to which democracy can reduce a man with vision. His contribution has been practical rather than spectacular. It

remains to examine the nature of Safeguarding and story of its development.

The safeguarding duties were a relic of the Great War. In the September of 1915 Mr. McKenna had imposed duties on imported luxuries, with the excuse that it was necessary to maintain the country's foreign exchanges and also to curtail expenditure on unnecessary goods. They were imposed under pledge of appeal as soon as the War should be over, for as he said "it will be time for us to argue then about the basis of fiscal theory. . . . We have deliberately abandoned theory in the special circumstances of the War." In 1919 Mr. Austen Chamberlain, as Chancellor of the Exchequer, managed to defend and retain them for purposes of raising revenue, because as Mr. Baldwin himself pleaded "it would be like asking for butter out of a dog's mouth to ask the Chancellor of the Exchequer to give up these duties at the present moment." From those emergency duties to a stabilised system of "Safeguarding" it was not a far step. Fears of dumping were prevalent after the Peace Treaty. A Committee had reported in 1917 and sharply differentiated between the staple industries of the country and those producing commodities so essential to national safety as to be called "key" industries. The Balfour of Burleigh report recommended, in respect of these latter commodities, that the home market should be protected, and in 1921 the Coalition Government passed the Safeguarding of Industries Act giving effect to the recommendation. It was an attempt to protect the market against a flood of imported goods from Germany, which Mr. Baldwin remarked "never materialised." Nevertheless, six thousand articles were scheduled under the key industries section, and the Board of Trade was empowered to confer the benefit of the duty subject to certain rights of application and appeal. Immediately several commodities like gloves and glassware benefited. In point of fact this somewhat roundabout development of ideas, first the outcome of necessity, led in time to grave doubts whether the Liberal

doctrinaire had adequately "locked, barred and bolted" the door.

As soon as Mr. Baldwin found himself in power with his big majority after the 1924 election, he gave his attention to revising the procedure of Safeguarding. The industry involved was allowed to make out its case and show the unfairness of the conditions under which it was forced to compete. A step forward was made by allowing the Act to be general in its application and unhampered, as was the previous Act, by a commercial treaty with Germany. As usual there were wheels within wheels; it was a more difficult task than the public imagined even to extend these slender benefits of Safeguarding.

The impotence of English statesman to protect English labour was an ill omen, but it was hardly a fault of the Conservative leaders. They were fettered by their positions and by circumstances. There was the ludicrous spectacle of men conscious of the benefits they were conferring, sinking to every depth of sophistry to make certain that the public should not detect their good works. Although Safeguarding was more than half way to Protection, because it admitted the principle, the Conservative Party surpassed itself in explaining that they were not the same thing. Every effort was made to assure the public that Mr. Baldwin was an honourable man who would honour his pledge. It was essential to the existence of the party that it should be clear that no morsel of food would be taxed. Indeed, the fiscal battle had become so involved that the statesman was called on to prostitute his personality to satisfy the whims of an uncritical and self-centred electorate. There is no doubt that it was this propagandist apology for winning the Protection issue that lowered Mr. Baldwin in the eyes of the nation. The Party seemed virtually to regret trouncing its opponents after fighting for years against their foul and infamous tactics. However all that is germane as a criticism of this period, is the question whether a more courageous and powerful personality than Mr. Baldwin in the same

political system and occupying the same office could have done better.

The good results of Safeguarding were obvious. The Free Trader, as indeed had the Protectionist in his day, carped about cause and effect and changed conditions. It was hardly a moment for making excuses. In the motor industry 30,000 men had found added employment and five foreign firms had set up large factories employing labour in this country. Everywhere that the duties applied improvement was marked. In the election of 1929 Mr. Baldwin again sounded the country and appealed on the still important question of curing unemployment. He was defeated as a result of the ostensible failure of his five years' administration, and Labour came into power. In 1930 the Socialists announced the end of the Safeguarding duties as soon as they should reach the close of their term; in 1931 the question was no longer considered, as the whole nation became overwhelmed in the financial storm. The anticipated removal of these duties went no deeper than the dogged fanaticism of Mr. Philip Snowden, and the defeat of the strong Conservative Government was not so much the scare of rising prices as the just reward for unnecessary apologies. The real significance of the political position lay deeper in the new change of outlook. The country was beginning to doubt the advantages of *laissez-faire* having learned its lessons. It was too late then to find any remedy, and Trade Union leaders were turning to tariffs as a means of saving the State. They seemed in the last resort the only hope of the unemployed. A group of bankers from an entirely different point of view were seriously considering the advantages of a check on imports. The inveterate self-assurance of the City was shaken. The prejudices were disappearing thirty years too late.

Although Mr. Baldwin has lived down these prejudices he has only gained the use of tariffs as a dire necessity. He has never been able to use the powers to protect as a weapon in constructive statesmanship. It was because Joseph

Chamberlain was alive to the debacle of 1931 some thirty years ago that he opened up the tariff controversy. He saw the British Empire sinking into oblivion, and the nation's virtue wasted to humour the whims of the merchant. He could see that there was no power to avert the Great War, no power to save Europe beyond the ability to control trade.

It was unfortunate that he exaggerated in prosperous times and allowed the public to see the political conversion working in his mind. It made them look on Tariff Reform as a personal ruse to regain his prestige lost over the Boer War. When Mr. Baldwin is compared as a statesman it can be seen that he has had no such handicaps. He had thought out the case in the privacy of his youth; brought an untarnished record into public life; made one bold attempt and then for a reason best known to himself decided to do the most that circumstances would allow. It has never occurred to him to attempt to force circumstances; it is alien to his temperament. He has also considered, quite rightly, that it would not have been safe to have allowed men of less character to have tried their strength on circumstance. There have been many willing. The result has been that for lack of the ability to control trade the Empire has suffered. Free Trade has brought riches to the "little Englander," because it is a policy for city states. Venice and Holland are but examples of states that have refused the burden of political responsibility and passed from history leaving only museums behind them. Nineteenth century England has only left her slums. The Empire has been rejected as an uncemented land mass only bound by sentiment. The highest responsibility has been neglected for the lure of trade. It is absurd to contend that Mr. Baldwin failed to realise this in some form as he faced the humdrum of Government routine. Perhaps he decided that only a revolution could undo the evil of a hundred years and considered it better to allow that revolution to herald itself than to accelerate its pace. His tactics although they have

probably been wise, have tended to exaggerate the weakness of his will.

The great statesman has always used tariffs deliberately. It is only when political energy is dead that people refer to them as expedients. Bismarck understood the subject at a time when the mind of the Englishman was becoming confused. Like all statesmen he asked himself first where he was going, and secondly what was his object in arriving. He knew that trade could be raised to any state of artificiality if it could be controlled within a self-sufficient unit. Although he did not possess such a unit he was not frustrated, and counted on an armed conquest at some future date. He would hardly have overlooked the potentialities of the British Empire. In 1834 he used Free Trade to unify Germany by the Zollverein. The same policy used Protection to encourage intensively the larger unit of the Nation. Here was an example of the use of each system according to the end in view and proof of the subservience of economics to the politic will. The economic trouble in the world to-day is an absence of policy. Mr. Baldwin typifies its absence.

Most modern economists imply the absence of policy. They imply the Free Trade premise, or the principle to have no principle. List, the German economist, knew that Free Trade would assist a nation with a natural start as the workshop of the world, but considered the maintenance of a balance between agriculture and industry was the highest aim in policy. He saw not a small disaster awaiting a nation that became so industrialised that it lost its self-sufficiency, its physique, and its will to power. The Germans, from the first reawakening of political consciousness, desired to be a great people in the world and not, as their English cousins, the richest. Tariffs were part of their scheme and liberalism to the Prussians was a chronic disease. There is no doubt that the self-confidence of liberalism has been lost, to find the statesmanlike capacity to direct commerce destroyed. The economist is manipulating the details, without the

master mind to organise the mass. Individualism in economics has reached the same chaos and confusion as in every other sphere. Politics which require energy have become dominated by economics, which are necessary to existence but no more.

In this period of world-wide apathy and resignation, the diehard critic has raised his voice against the Conservative leader. In the summer of 1932, at a Party Conference at Blackpool, Mr. Baldwin said that tariffs were "an expedient and an experiment." As tariffs can be seen to be a method of executing a policy that remark is equivalent to admitting that Mr. Baldwin's policy is both an expedient and an experiment. The fact is self-revealed, the cause of it is unworthy of criticism. It is an age in which statistics and not statesmen rule mankind. It can be said that in the last ten years there has been little opportunity to embark on a constructive policy. The last person to count himself among the Bismarcks of this world, Mr. Baldwin has been shrewd enough to doubt the capacity of any other to fill such a role. Leading a people that could not keep their thoughts off Peace and Disarmament, it perhaps amounted to genius to give the order to backwater as the ship grounded on the rocks for which she had headed since 1900.

## CHAPTER VI

### COAL

THE size of the Conservative majority in the early days of 1925 was a source of some disquietude to Mr. Baldwin. A large army always mirrors the qualities of its leader, whereas a small skirmishing force holds out a chance for sudden glory and an instant excuse for failure. People were already discussing whether the power acquired over the Red Letter incident would not prove a hindrance and disintegrate in the face of intrigue and inertia. The responsibility rested solely on the shoulders of the Conservative leader, whose prestige had not been enhanced by tactics which had appeared vacillating towards the late Labour Administration. The die-hard element was restored and encouraged, and could be trusted to plot for action against any such immovable object as Soviet Russia or such irresistible force as the Trade Union movement. In the Cabinet were personalities like Mr. Winston Churchill and Lord Birkenhead who were stronger than their leader, although they had little appreciation of the forces to which they were opposed. For the rest there was the usual crowd of unimaginative supporters in the Lobby. The narrow intelligence of the modern member of Parliament makes him both useful and dangerous to a leader. If any rule could have been laid down for such a situation, it would have been to have possessed an aggressive policy and attacked from the start. To retreat would have been suicide and to hold fast would have required more real power than the Red Letter election had given to Mr. Baldwin. For

the early months of 1925 the Prime Minister halted his army while the hills round teemed with the preparations of the enemy.

Mr. Baldwin was one of the few people who realised not only the inevitability of the conflict but the magnitude of the problem that confronted the country. He knew that events represented the doom of a system that for him had laid its foundations in the fertile plain of the Severn. He saw capital and labour forging heedlessly to an economic *impasse*. He understood the situation economically because he had witnessed every stage in its early development. He was as ignorant of the political development as he would shortly prove incapable of dealing with its fundamental and political aspects. He possessed no definite idea on the relationship of industry to civilisation generally. Nevertheless, he could be considered ahead of every other man in public life in being timid of a cataclysm which he doubted the capacity of human ability to avert.

He had seen fathoms deeper than the bumptious optimism of Sir Alfred Mond who in 1923 had impertinently railed against what must be considered the profounder political understanding of Mr. Philip (now Lord) Snowden. In an attack on Socialism he had vaunted:

"I am extremely glad that the mask is off at last. It is a clean issue between Individualism and Socialism, a clean issue of private ownership against national ownership, a clean issue as to the right of the individual to the reward of his labour and his enterprise."

Mr. Baldwin at least knew that the Socialist movement went deeper than these shallow confessions of Capitalism suggested. Socialism was not fighting individualism but the slavery that the economic crisis might bring at any moment to the individual worker; not private ownership but the anonymous ownership of the big combine; not the right of individual to receive the rewards of his enterprise,

but the right to restrict the enterprise of millions to monopoly. If Mr. Baldwin cast his memory back to the early days of his family business he would see in Socialism not the enemy of *laissez-faire*, but the inevitable results of that system. He would recall the day when the moral obligations of the private owner were destined to give place to the irresponsible charity of the remote Board of Directors. In the face of mass exploitation, Socialism was no more than mass defence. It was a trait in Mr. Baldwin's favour that inheriting an industrial tradition he should be a little apologetic for the aggressive attitudes of such essential individuals as Lord Birkenhead, Mr. Churchill or even Sir Douglas Hogg. To smash Socialism was impossible when no Conservative had any alternative creed with which to fire the imagination of its devoted supporters. To expect human life to tolerate indefinitely the old system was, and still is, to reduce politics to the ultimate absurdity. The hour of the crash of modern capitalism was approaching and Mr. Baldwin leaped into the breach and parried the first unfair thrust.

In the March of 1925 Mr. Baldwin broke the Macquisten Bill which was designed to debar Trade Unions from raising a political levy from their members. He appealed for comradeship from all sections of the community. That is an idealistic appeal to-day, but one which in 1925 was expectant on the Prime Minister's succeeding acts of statesmanship. The nation took courage, for it hoped that a statesman who had analysed the situation would next find the remedy. In frustrating his own followers' attack on Socialism, he had nevertheless warned both masters and men that their future relationships would have to be "a form of pretty close partnership however that is going to be arrived at." "Those two forces," he said, "with which we have to reckon are enormously strong, and they are the two forces in this country to which now to a great extent, and it will be to a greater extent in the future, we are committed. We have to see what wise statesmanship

can do to steer the country through this time of evolution until we can get to the next stage of our industrial civilisation."

So far as Mr. Baldwin's immediate intentions were concerned his followers could take notice from the close of his speech. He had decided to take the difficult course with his unwieldy following. He would remain inactive until the other side should commence the attack. Although such a tactical plan was dangerous, he must have considered that he had a sufficient grip of the industrial situation to adopt it without loss of prestige. "We are not," he said, "going to push our political advantage home at a moment like this. Suspicion is preventing stability in Europe and is the one poison that is preventing stability at home. To-day we offer the country this: We at any rate are not going to give the first shot. We stand for peace." He won at once the respect of Labour for his understanding and the respect of his followers for his determination to control his party.

It was abundantly clear to everyone at that moment that Mr. Baldwin was of the small minority in that seemingly powerful Government which realised the virtue in its opponent's case and the significance of the approaching clash. The test would be whether he was capable of steering a course into what he himself called the "next phase of our industrial civilisation." His profession of tolerance might be the outcome of his strength, on the other hand it might be a confession of his weakness. It was obvious then, and unfortunately it still remains so, that the next phase had to be the achievement of individual leadership and not of *laissez-faire*.

There are still people who look back on the Coal Strike as if it had been a mere incident that has passed. Such people form a dangerous community. They refuse to study cause and effect on the ground that death comes to all to-morrow. They assume a casualness which does not exist in great political problems. These same people watched the

crisis develop at the time without realising it as a mighty portent. Modern civilisation is little else but the Germanic people clustered round the coalfields of the world. Political power in the twentieth century is wealth, and that consists of industrial strength. The blood of the Nordic people has permeated the world supported by this monopoly of the substance of industrial power. Whatever assistance science can bring it is difficult to imagine anything but extinction in the path of Great Britain, unless coal remains an essential link in chain of power. Coal, therefore, had ceased to be a question for economic consideration, and had become a purely political question of the highest magnitude.

Among the coal workers are the finest of the race, with the unfortunate exceptions of the alien elements that certain Welsh and Scottish employers imported in the days of *laissez-faire*. It is an industry with features of permanence and tradition, unlike the modern luxury trades which only foster dislocation and political instability. The royalty owners can for the most part be trusted to spend their fortunes according to some tradition of decency and not upon the frivolities of the modern profiteer. The best of British capital is sunk in the pits. Alien and Jewish control is rare. Although the wave of moral decadence has affected all the capitalist class, the coal-owners at least remain undivided in racial allegiance. It was because agriculture was inarticulate that the full weight of protest against the modern system arose in the nation's second vital industry. The land and the sea offered geographical impediments to the political organisation of farmers and fishermen; the miners were not so badly placed to demand justice for the producer.

After the country had refused the principle of control in industry in 1906, the landmarks in the road of catastrophe were clear to anyone with imagination. First, came the greater civil war among the coal-producing and power-controlling Germanic peoples. At the Peace of Versailles this disorder was never settled, and with the unwise aid

of Reparations the dislocation became more intense. If there was no direct loss to the British market, from Reparations, there was loss from the ensuing readjustment. The Italian and South American markets had contracted, and France, who was a heavy purchaser, increased her out-put from her own re-equipped Northern coal-fields. Fluctuations in currency jeopardised the export trade, and in the immediate post-war period the outlook of the British miner was black and desperate.

The second stage was the lesser civil war in the victorious coal-producing nation. The source of national prosperity was drying up under the iron laws of economics. Labour, therefore, was forced to demand a safeguard that would preserve human livelihood from the exigencies of a free market. This second phase commenced with the Coal Strike of 1921 and concluded with the temporary satisfaction of the Sankey Report which became for awhile the miner's charter. To stop the workers suffering the fate of the commodity which they produced, the remedy was to be nationalisation. In short, because capital refused the principle of political interference in 1906, it was heading for a total coagulation of its free channels twenty years later. The basic industry of coal was, by the loss of its internal and external market, bound to register the first sign of pressure.

There are three further considerations to be borne in mind, if the coal crisis is to be clarified and its real meaning understood. They confronted Mr. Baldwin as the month of July progressed, although later he appeared to have ignored them. First, the British miners were better organised and better led than possibly any other branch of labour in the world. Secondly, owing to the fact that the patriarchal spirit of industry had in some part survived since the days of the Industrial Revolution, the relations between masters and men were as good as anything outside farming and brewing. Thirdly, both sides knew more about the economics of the situation than any external body of men

could ever learn. Three essential elements of a perpetual dead-lock were present. It should have been obvious from these considerations that no economic remedy could exist. The crisis was political, first and foremost, and only well-advised and constructive statesmanship could hope to solve the problem. Imagination would be required of an order that it was not usual for a democratic statesman to possess.

By the middle of the summer of 1925 unemployment had increased by 160,000 and stood at a total of a million and a quarter. The majority of the idle hands were engaged in the heavy industries which made the prospects of a coal stoppage all the more serious. The very basis of industrial prosperity was crumbling. Mr. Baldwin continued to outline the situation with accuracy, but each day showed that he was powerless to devise a remedy. The mine-owners were dependent on the economic facts, and had no alternative but to reduce wages or to increase hours. The miners, by refusing to take a penny less or to work a minute more, played for the misconceived yet ultimate panacea of nationalisation. The danger lay in the fact that to the political theory of nationalisation, the Conservatives had nothing with which to retort but vague phrases about the constitution and civilisation. Furthermore, the next stage of the economic decline, when the invisible exports would diminish, had not commenced and there appeared to the Socialists to be plenty of money with which to finance their schemes. Productive industry had been taxed in favour of the money markets for so long, that nothing could be more plausible than to reverse the process. In fact one aspect of their case was essentially Tory. The Socialists had so much in their favour that the Coal Crisis would be for them the opportunity on which to test out their theories. However, on July 31st Mr. Baldwin temporarily deprived them of the crisis by granting a subsidy.

The Coal subsidy was a subvention in aid of miners' wages pending an inquiry into the Coal Industry by a Royal Commission. On August 6th the House of Commons

voted to this purpose a sum of £10,000,000 which was later augmented up to £23,000,000. Against a universal charge of cowardice the Prime Minister ably defended himself. In his opinion such an undesirable course was prompted by the special circumstances of the case, and also because the temporary period of deflation had affected the export trade. The coal-owners and the die-hards of the Party were of opinion that as the strike was inevitable it was better to get it over, which although a justifiable attitude in view of the economic facts, was one which a statesman with faith in himself could not easily take. To the extent to which the crisis was political it might be reasonable to expect that the Prime Minister could overcome it. "It is a very much easier thing," said Mr. Baldwin, "to be rattled into a fight than to be rattled into a peace." He had for some time entertained the idea of instituting a Royal Commission to inquire into the Coal Industry, although his tactics at the eleventh hour made it appear that he had been stampeded into such a course by panic. His position was not improved by the reports that up to the last hour he intensely disliked the idea of subsidisation. All subsidies are distasteful on principle, but it does not prevent them from being important weapons in the wisest statesmanship. He maintained the dignity of his action by warning the Socialists "that no minority in a free country had ever yet coerced the community." If he did anything to detract from his prestige, it was by one of his rather typically conciliatory remarks about allowing the public to understand the nature of the conflict. Mr. Baldwin is always destroying his best cases with this same sentiment. There is something futile about it because the public knows inwardly that it can understand nothing outside its own work. However the illusions of early days die hard in a man of obstinate loyalties.

In the immediate decision to grant a subsidy Mr. Baldwin seems justified. His own expression had been that the situation called for "real statesmanship," and for that he

would require time. He knew that he was dealing with a political problem, which if it did not lead to revolution in twelve months would recur indefinitely until it found solution. His line was to investigate at once the political aspects of the case. What in point of fact he did was almost the opposite.

He set up the Samuel Commission of September 5th "*to inquire into and report upon the economic position of the Coal Industry and the condition affecting it, and to make any recommendations for the improvement thereof.*" The crowning blunder was here in the terms of reference. Here furthermore was the crux of the deepening economic crisis that no statesman would face. Statesmanship is concerned with policy and not economics. If there can be found any excuse for Mr. Baldwin it can only be the realisation that beyond Mr. Joseph Chamberlain no statesman has understood this rudimentary axiom for half a century.

The Coal Commission could discover no economic facts which were not already understood by those engaged in the industry. It could learn nothing that Mr. Baldwin did not know. It could only discover for its own enlightenment the good-will that already existed in the production of the nation's most vital source of wealth. It could suggest scientific adjustments that would further postpone the crisis in Industrial civilisation. It could reiterate platitudes until the whole nation realised what it might have known for five and twenty years. So long, indeed, as those terms of reference stood, and so long as the inquiry was economic, the subsidy was waste of money and the moratorium waste of time. The investigation of mere economic facts is only subservience to *laissez-faire* unless a principle is arrived at by which the position can be affected.

Mr. Baldwin had in a manner queered his own pitch. If he hoped to be shown a line by the succeeding report, he had not only restricted his chance by these terms of reference but rendered all hope vain by his choice of personnel. In choosing Sir Herbert Samuel, General Sir Herbert

Lawrence, Sir William Beveridge and Mr. Kenneth Lee, he had again made the fatal mistake of studying moderate opinion in the pursuit of policy. A major social and political problem would have been more likely to have reached a solution at the hands of four Jesuit priests than before a tribunal consisting of a Party politician, an industrialist, an economist and a business man. False notions of impartiality are the curse of democratic politics. The fear of public opinion had forced the Government into deceiving themselves as to the nature of the crisis. The Commissioners would produce an authoritative treatise on what to the experts was already known. Politically, and that was the only direction in which Mr. Baldwin could be assisted, the opinion of Sir Herbert Samuel, a veritable bulwark of *laissez-faire*, would be hardly calculated to enlighten a contemporary statesman or to save a struggling productive industry.

As the winter of 1925 progressed and the New Year arrived Mr. Baldwin grew in stature before the eyes of the public. The masses attracted by superficial events failed to notice that the Prime Minister had reached the parting of the ways and decided wrongly. Mr. Churchill, Sir Reginald McKenna, Sir Alfred Mond and Sir Edward Hilton Young seemed a heavy bunch of Liberals to have united under his banner. It was an accretion of talent whether or not their talents were co-ordinated. The fact was that Mr. Baldwin had given up the political struggle and was settling down into the role of defender of the Constitution. Men flocked towards him because they wished to identify themselves with law and order and not because the Prime Minister had any secret into which to initiate them. For the moment a truce had been called in constructive statesmanship in order to unite in defence against Socialism.

On a lower plane Mr. Baldwin had made excellent progress with the Chamberlain Housing Scheme. He had become reconciled with M. Poincaré over the Ruhr crisis,

and presided at the signature of the Locarno Pacts. When he visited Birmingham in the middle of January to outline the Government's Electricity Scheme, he was given a rousing reception. To the task of clearing up the debris from the crisis of the War, no man had been better suited or was doing more than Mr. Baldwin. His prestige was fully justified. Unfortunately the second crisis was again upon him, to add to his perplexities and baffle his good intentions. He at least knew himself how far his rise in public estimation had been justified.

On January 17th Labour made a plausible objection in the House of Commons to the control of the Electricity Scheme by business men and experts. On the 18th, figures were published which measured the distress in the coalfields. In June, it showed that 25% of those formerly employed in the industry were unemployed, and over 100,000 men had been added to the register since 1923. On January 21st the railwaymen rejected the National Wages Board award and on the 26th a railway strike was narrowly averted. At the beginning of February, Labour passed its criticism on the Government's address. On the 6th of that month Dr. Dalton, one of Labour's intellectuals, had alluded to "areas devastated by capitalism" and maintained that "the coal industry was in the hands of degenerate descendants of the original capitalists who were so slight and unmeritable that the community had taken over their risks for them." Mr. A. J. Cook had laid out the three points of his ultimatum:—

No more district agreements.

No more eight hour days.

No reduction in wages.

"Lord Londonderry and Mr. Evan Williams may be gentlemen," he had added, "but they are not going to stampede the masses into slavery." All the while Dr. Shadwell's articles had been appearing in *The Times*

depicting the course of Socialism and Communism throughout Europe. In such an atmosphere the unfortunate Prime Minister awaited the Spring of 1926 and the forlorn publication of the Report he had commissioned. His momentary prestige could hardly console him.

The inevitable occurred. The Stationery Office issued the Report on March 10th and at the beginning the demand for it exceeded publication. Three hundred closely printed pages comprised a masterly analysis of the situation. The public read it with avidity and the coal industry perused it with indifference. Experts had said for years that there was no way out, and now this external body had in reality come to the same conclusion. Like most reports by Royal Commissions, these works of labour only end in statistical indigestion in the brains of the more economically minded of the bourgeoisie. The essential point was that it made *ad hoc* suggestions devoid of any basic principle, and consequently, since no sane Government could implement it, it was more likely to embarrass than to relieve the Cabinet. Fortunately, the country was as accustomed to the reports of Royal Commissions as to its daily newspapers, so it never realised how useless was the work that had been done. It is only fair to say, however, that within its limits the work of no four men could have been more brilliantly performed. Nevertheless, Mr. Baldwin, who had himself directed a colliery company, knew no more about the relationship of the coal industry to the body politic than he did the day before its issue. What he wanted to be told he had not asked for. The bald truth was that after 1923 he had no political antidote to Socialism, so he faced the same crisis, armed with a useless Report, and met the same impenetrable resistance.

The Report opposed nationalisation. It recommended, however, that the State should acquire the ownership of royalties on coal and of the mineral itself, and that a Coal Commission should be appointed to enquire into the matter, and administer the property. As no principle was

laid down it was hardly likely that such a suggestion would satisfy the more serious minds of the Labour movement. The political question remained paramount, and it was one matter to arrange the table and fix the menu, but another to invite the guests. A month ago Labour had objected to the control of the Electricity Scheme by business men and experts. Had they any safeguard here against these same monsters? It was quite obvious that since the Commissioners were not to administer the mines or to settle labour disputes, they could degenerate into little more than a perpetual Royal Commission supported by the taxpayer.

The further proposals were also vitiated by a lack of political principle. The State was to promote amalgamation among the more efficient pits; the National Fuel and Power Committee was to establish a closer connection between coal and its allied industries; the subsidy was to cease; uneconomic pits were to close; hours were to remain the same and wages were to be settled nationally subject to their district variations. Moreover, forty to fifty thousand a year was to be spent on research with arrangements for scholarships and an official headquarters. It is hard to imagine how this paltry increase of bureaucracy could have assisted the industry. It could only work against the overwhelming international interests in oil. This latter suggestion was but one example of the modern economic mind substituting a tentative suggestion for what ought to have been a major pronouncement on the future of the coal-producing peoples of the world. The relationship of coal to oil was at the very roots of the problem in 1925. On the one point in the scope of the enquiry, where the Commission made a fundamentally sound suggestion, the Government was powerless to assist. The collieries, it stated, should establish co-operative selling agencies, and municipalities were to be empowered to compete in the retail trade with local merchants. The dead weight of the middle man was to be lifted from the

shoulders of the struggling industry. How the one proposal that went to the very roots of the economic problem fared in the hands of Lord Melchett and before a vested interest became a sad story.

Forthcoming events revealed the monster entanglements that confronted every party. The owners and the miners studied and discussed the report both privately and with the Prime Minister. From the first they embarked on a hopeless haggle over hours and wages. It appeared to amuse the public, assisted by the Press, to censure each side, in turn, for its obstinacy. The truth was that only the interested parties had the plain commonsense to realise that neither the Report nor the subsidy had changed the position. Those conversant in the realities of the situation were not going to indulge in make believe in order to save the face of democracy. There were even critics who censured the Prime Minister for not making it clear that he intended in any case to enforce the proposals of the Report. Mr. Baldwin was also too wise, after the event, to attempt to force an unprincipled palliative on a particular affliction, when he had failed to find a remedy for the general disease. No statesman could have averted the General Strike from the morning the Report was issued. That is a safe assertion.

The first day the masters and men met, Mr. Cook warned the Government that coal would not come from America or Germany in the event of a stoppage. More sinister than that was Sir Alfred Mond's superficially brilliant exposition of the case in *The Times* of April 1st. He accurately criticised the preliminary discussions on their tendency to concentrate on hours and wages. He cast a subtle aspersion on the ability of "those who consider themselves leaders of industry." He finally showed up his own case by asserting:—

"The question, as I have previously pointed out, is not merely that the coal crisis is a national one, it is an international one; and in an international solution lies,

—at any rate so far as an important part of the industry is concerned—the real prospect of a better future.”

He seemed to have ignored the fact that some people did not desire a better future under the existing conditions. So far as coal was concerned the future could only have been improved temporarily.

If by international agreement there was an economic solution the British owners and miners knew better. The very words from the pen of Sir Alfred Mond were proof that the crisis was purely political, and that that doughty magnate had not been slow to see that the challenge went to the roots of modern capitalism. The owners wanted a guarantee of profit. The miners wanted a guarantee of wages. There was really a common demand that a national industry should be safeguarded against competition and only the Socialists had a political remedy ready to hand. The unfortunate Prime Minister was confronted with the first large scale failure of *laissez-faire* on a contracting market. He faced unassisted the unanswered query of the twentieth century.

What was really a pretence at seeking an agreement occupied the month of April. The replies of the owners to the Report were as reasonable as any body of men could have given. They pointed out that although they were opposed to the control of the mineral rights by the State and entirely favourable to the organisation of selling agencies and municipal retailing, both these questions were for Parliament to decide. On the question of wages economic factors forbade that they should give way. If they embarrassed the Government by stating the truth unadorned the Miners' Federation completed its discomfiture by insisting on a national guarantee of hours and wages. Even the Trade Union Council asked Mr. Baldwin to intervene in fixing the level of minimum wages. Each day one side or the other hurled its unsolved troubles at the feet of a powerless Prime Minister. In one week, commencing on April 15th, he witnessed an appeal from the Archbishop of Canterbury

to pray for the state of social unrest; an appeal from Moscow for international labour to prepare to assist the miners in Great Britain; a notice from the Miners' Federation of its ultimatum, and finally the figures that the owners would be able to pay after May 1st. Something must have fallen from the clouds to have enabled Mr. Baldwin to find a way out.

On April 23rd he met both the miners and the owners in a joint conference at Montague House. The most statesmanlike speech came from the lips of the Miners' Leader, Mr. Herbert Smith. He boldly analysed the situation and showed what was the real political issue. He claimed that although they were supposed to be following out the Commission's Report, the propositions were the same as in July, 1925. The owners had told the Prime Minister that they had arranged a meeting with the miners, but now they met the same owners and the same position as before they saw Mr. Baldwin. The fact that the miners fully comprehended the political aspect of the case was apparent. They frankly intended to stabilise a respectable wage by insulating it from all economic pressure. Mr. Smith was not concerned with the argument that at the right wages we could not compete. Had not British owners made the same speeches in England and Germany where they had interests to play off against the other? Neither internationally nor nationally (by district agreements) were the working classes going to jeopardise their livelihood to the vagaries of *laissez-faire*. If Mr. Evan Williams' taunt was accurate, referring to district agreements, that "you will have to go there some day" Labour quite justly refused to face broken pledges again without a battle. Their quarrel was with an effete political system and its effect was to mirror the incompetence of the Prime Minister to affect any economic situation. Mr. Baldwin had to sacrifice his personal reputation to the what had become a mere political sinecure in the state of modern industrial civilisation. It was little wonder that a week later, on May 1st, the headlines in the leading Fascist organ were:—

First of May in Liberal England—to strike.

First of May in Fascist Italy—to produce.

On April 26th Mr. Baldwin interviewed all parties, including the Industrial Committee of the General Council of the T.U.C. As a typical compromise it was suggested, that the miners should work an eight hour day, that the owners should agree to a national wages agreement and that the Government should subsidise wages during the period of re-organisation. The chances of these conciliatory tactics succeeding were ruined by events. The irresponsible Mr. Cook, after three days' negotiation, indignantly asserted that as the owners wanted a 48 hour week "all was off." At the same moment came evidence that certain persons were in Russian pay. The die-hard element in the Government was encouraged to raise sentimental barriers to any agreement by abusing Socialism. Mr. Baldwin had made his honest effort for peace in vain. The compromise failed in the calm and sagacious control of the Miners' leaders. Mr. Smith was still master of the situation. He chided the Government that, as it had appointed the Commission, it ought to stand by its report, but added, "There are plenty of things in the report that we do not like." That was practically a challenge to Mr. Baldwin to reveal his own incompetence. He did so in his reply.

"That is why," he said, "I say there are a lot of things we do not like. If we swallow all this report we are going to do it for the sake of peace, we are all going to swallow what we do not like. My job is to get a great party to endorse what I am going to put before them, and if we are going to carry out this report we have all got to do that; there is no question about it."

The foremost pillar in industrial civilisation was under-pinned; *laissez-faire* capitalism hung in the balance. Mr. Baldwin had admitted that as the Government had no policy it would swallow anything for peace. The doubt is whether he was not dealing with the situation as ably as was

possible in the circumstances. Opposed by years of careful thought and organisation Parliament was a very sorry instrument. To have maintained the constitutional balance it would have required an equal amount of thought, and neither Mr. Baldwin, Sir Arthur Steel-Maitland, nor Lord Birkenhead could have provided that in the course of a few days. Mr. Baldwin revealed the powerlessness of the Government in the face of Socialism very tactfully.

As things turned out, events moved rapidly towards the Government's salvation. Mr. Baldwin was relieved in his embarrassment. On April 30th Labour was encouraged by a great victory in a bye-election at East Ham. On Saturday, May 1st, the General Council of the T.U.C. issued an order for a General Strike to commence on May 4th. It was an unwise and ill-timed decision.

As soon as Socialism ceased to ridicule Parliament and declared war on the Constitution its prestige vanished. A royal proclamation declared a state of emergency to exist and that put the Government completely on the side of right. The matter of their incompetence was shelved. Mr. Baldwin issued his famous broadcast: "Keep steady. Peace on earth comes to men of goodwill." People forgot that so far there had been little ill will, beyond what the impotence of leadership had fermented. The printing staff of the *Daily Mail* refused to print that paper's leading article, and public opinion turned generally against the Trade Union movement. An unfortunate letter to *The Times* from the late Bishop of Winchester and the Bishop of Southwark brought further sentimental support to the side of the Government. It was a pity, however, to expose the paralysis of religion by writing to a newspaper; also to hint that in the execution of a forty year old programme, the Socialists were not still on the side of "the angels." The nation was prepared, from that vague love of order that overcomes the English in a crisis, to frustrate the strike. Mr. Baldwin cleared himself in the House of Commons from an impression that he had not taken a firm hand in the negotiations.

Actually he had understood the situation better than his critics, but had no idea of how to create that "next stage of our industrial civilisation." That was in fact what the crisis demanded of him. As it is still uncreated, he can be considered, in view of the fallen pass of post-war statesmanship, to have acted prudently.

The English revolution never matured. Foreign journalists returned without their copy. Socialists watched with amazement the milk pool in Hyde Park, and saw the daily list of trains and buses increasing in number. Food supplies were handled by volunteers and nobody starved. Even the Press in part remained to inform the public of events. Mr. Winston Churchill, with his usual dexterity in a crisis, produced the *British Gazette* at the offices of the *Morning Post*. The existence of broadcasting was a factor for which the T.U.C. cannot sufficiently have made allowances. Road transport spread itself with an amazing adaptability. The will of the nation and not the strength of the Government defeated the General Strike. On May 12th it was officially called off.

An unfortunate amount of credit for breaking the General Strike went to Sir John Simon. He made a logical but unwise speech on May 6th, in which he declared the strike, in his opinion, to be illegal. He submitted that Trade Union Officials would be liable for procuring contracts to be broken. That proved to be true. The fault of his speech was that it again obscured the political factors from the public, and fostered a partisan attitude against the legitimate claims of Labour. It cast the same light round the Socialists as if they had been alien enemies during a war. It smacked of hypocrisy to say "that it would be an intolerable position if any man forfeited his benefit because he refused to obey an unlawful order." It was in a nobler spirit than that of the jealous lover of abstract liberty, that men entered the great Trade Union movement. Moreover, it hardly mattered whether the order was lawful or otherwise provided it had a sanction and was obeyed.

The Trade Dispute Act of 1906 was enough in itself to condone the disrespect of any reasonable citizen for the rule of law. The Common Law cannot long continue to be derogated by the panic measures of party politicians. It was unfortunate that Sir John Simon rubbed the sore by allowing the wishes of the moment to obscure this strict political truth. The tone of his speech was to defend Parliament. He said that he had seen "a telegram from Rome stating that Parliament was moribund. He thought that was a mistake." The House of Commons cheered, the nation was grateful for his assistance, but Labour knew then and still knows that Rome unfortunately was right.

Mr. Justice Astbury supported Sir John Simon's legal opinion by a ruling in the High Court. Socialism, comprising, as it did beneath its leaders, the best elements of the British people, considered the letter rather than the spirit of the law had been turned against it. It was unfortunate, but it ended the General Strike.

Mr. Baldwin had always been too wise to insist on the strict legal position or on the mere economic factors of the situation. Only when the Constitution was threatened did he stand upon his rights. If it was due to weakness, the nation will grow, as the years go on, to realise that it was fortunate. When it is realised how much deeper Socialism had gone to the roots of the social problem, people will praise a man who was too wise to plough deliberately with a more shallow furrow. His part in weathering the storm is difficult to portray. Like everything in his life his direct responsibility for events was not so great as his indirect influence. He got the credit of the public for his actions, and it was in a large measure justified. By identifying himself in a vague sort of way with the Constitution, he averted a calamity. He respected Socialism up to the event as if it had been a greater force than his own. That was a realist view. After the crisis he was prepared to let bygones be bygones and to continue

again without remorse or revenge. If that was bad party tactics it has left the political problem in an unprejudiced atmosphere for some greater statesman. Only his appeals to goodwill grew a little tiresome, because, as Mr. Cook so ably hinted to Lord Melchett, so long as the present organisation of industry continues there cannot be goodwill amongst pirate bodies. What Mr. Baldwin could not see was how permanently to identify the political aspirations of both labour and capital. What statesman has to this day seen the solution beyond the somewhat superficial philosophers of nationalisation?

As soon as the crisis was over men and events became normally lost in routine. The salaried classes became swallowed up in the humdrum of their daily lives and left the exhilaration of engine-driving and bus-conducting to more accustomed hands. The latent enthusiasm of the nation quickly cooled off and the phlegmatic Englishman remained unperturbed and the envy of less determined peoples. Unfortunately no one had imbibed the deeper political lessons and that dangerous caption about "old England always pulling through" soon passed almost subconsciously from a thousand lips. No one could have gathered from conversation generally that a problem threatening the root of society was still unsettled and unsolved.

From the short duration of the General Strike perhaps three fundamental propositions had emerged. First, that organised labour and its weapon the strike had been broken and almost certainly would continue so under existing conditions. Secondly, that the political crisis had remained unaltered and would remain so until *laissez-faire* should have delivered the race and its industries into the hands of internationally and irresponsibly controlled capital or onto the bounty of the labour exchanges. Only a real sovereign power could check this inevitability. Thirdly, that the situation can only be remedied in England by constitutional methods.

Mr. Baldwin was saved these general considerations by the particular dictates of his own duties. He picked up the threads of the coal controversy exactly as they had been laid aside ten days before. To his renewed proposals on May 14th both sides demurred. The owners complained that the proposals were calculated "to limit freedom of administration." They were opposed to political interference. Mr. Baldwin sharply retorted that any political interference was "entirely due to the incapacity now and again so conspicuously shown, of that industry, unlike other industries, to settle its disputes for itself." That was unfair, and the owners' rejoinder was justified in so far as the Prime Minister's proposals were still based on the impolitic suggestions of the Report. Mr. Baldwin appeared to have no statesman-like idea of how an industry could be organised on a national basis without Government control. He relied on the Report for inspiration; the statesmanship of the rival parties for agreement; and would not realise that a statesman had a duty to interfere in trade to change policy but never to effect economics or a compromise. The owners were sure of their ground, and were being suavely annoying. The miners when the subject of wages arose were merely curt. Mr. Baldwin's proposals only brought the controversy to another deadlock.

On June 11th an outstanding letter appeared in *The Times* from Mr. Cook under the heading of "The Consumer pays." He showed a fundamental grasp of the politics of the case. As he personally was an agitator who had owed his position to the worst features in Trade Unionism, he was probably voicing the opinion of his veteran leaders. He rightly asserted that the miners were entitled to refuse to sacrifice their wages before the proper remedy had been found for the general situation. He cited as his remedy the establishment of selling agencies and a quota system. The latter was a course which later proved essential to the coal industry. "I would invite you," he wrote, "to

explain why coal almost alone in the modern world should be subject to the laws of merciless competition. When the miner sells his coal he must exchange it against the services of the sheltered trades or for goods produced by price rings. His children's milk, the materials of the house which he inhabits, the very beds on which he lies—all these things have their prices fixed by combination. Is the miner alone to be the victim of your free market?" Here he had gone to the very roots of the trouble. He should have cast the Prime Minister's mind back to the days when he was himself a subscriber to the politic warnings of Mr. Joseph Chamberlain. The evils of over-production and over-developed middle interests called for remedies of State policy and were no longer economic questions. They were questions of principle affecting the character and prestige of the people. Any remedy would entail unemployment. The miners had confessed from the beginning that their proposals would entail the dismissal from the industry of 200,000 men, but it was better to have unemployment and to know the true state of the industry, than to continue subject to instability and economic fluctuation. That was courageous statesmanship. When Mr. Cook referred to the "individualism and contempt for economic science of the British Owners," he chided on better grounds than Mr. Baldwin their obstinacy in refusing to accept the dictates of a contracting market. Since 1926 many have paid the price by losing their fortunes. It was a pity that Mr. Cook, a man who by his associations was unfitted to promulgate the truths of statesmanship, should have gone the deepest in his analysis.

Stated concisely the miners' case ought to have shown Mr. Baldwin the true path of leadership, and overcome his difficulty of having to insist on proposals that were superficial. They were making a far greater demand of statesmanship than the public, who merely wanted coal delivered and law and order maintained. The impertinence of criticising after the event must be pardoned. There

were the few, who like Mr. Cook, made an accurate criticism during the crisis. In the light of this criticism alone can the point of the controversy and the action of the Prime Minister be measured. It must be remembered that a legitimate demand was being made for action to be taken of which it is now doubtful whether any democratic statesman has the sanction to perform.

In the first instance, it has already been insisted that Mr. Baldwin should have confined his attention not to the investigation of economics but only to their political control.

Secondly (and to state the criticism concisely it can be put axiomatically), he should have defined the relationship of the coal industry to the body politic. It was necessary to determine the part that coal was to be expected to play in the future policies of the nation. Some guarantee of security was a pre-requisite of action. This would have led the Government to such questions as the adverse ratio of oil to coal—the political desirability of an oil policy, and the future of the mining community. These problems still unsolved and essentially of moment to the whole race were never touched on. No statesman can begin to effect the economics of an industry without first deciding its exact service to the community.

Thirdly, seeing that his daily appeals for goodwill between masters and men were lost on modern capitalism, and knowing from personal experience that, since the inception of the joint stock company, he was appealing for the moon, Mr. Baldwin ought to have explored the possibility of organising the industry on a national basis. Only thus could the camaraderie of these piratical organisations have been expected to attain to the greater common feeling of civilised citizenship. He could have avoided nationalisation and satisfied the true Tory sense that warned him that without private property there would be no incentive. The miners could have acquired a recognised function to perform in the political life of the nation that went deeper than any schemes of profit-sharing or such

similar apologies of the exponents of *laissez-faire*. It could only be after a complete change of industrial policy, that the Prime Minister would be even sane in relying on "the statesmanship of the parties." Statesmanship would have existed if either side had possessed any personal duties of administration to perform. Government interference could have been reduced to a minimum, because instead of being concerned with pit-head baths and research, the sovereign power could have directed and assisted the policy of some national council, and left Government inspection to harder and more expert heads. By three cardinal rules of statesmanship Mr. Baldwin might have surmounted his own perplexities and risen to a pinnacle in European politics from which nothing could have dislodged him.

Fearful of the commotion that breaking vested interests would entail, and dependent on the support of dull and uninspired counsellors, the Prime Minister chose the unheroic path of attempted conciliation. He possessed no co-ordinated ideas of this "next phase of our industrial civilisation." He was unnerved. The course he chose was not only unheroic but a cul-de-sac. Mr. Baldwin, with the political powers for action sat awaiting action from the politically powerless disputants. The Government drifted almost naturally into partisanship.

The coal-owners were for the greater part supporters of the Conservative Party. Taunts and criticisms became heard in the corridors of Westminster, and Mr. MacDonald called the Cabinet "a loyal sub-committee of the coal-owners." The criticism was untrue. The real truth was plain. The Prime Minister's power had never existed. Instead of the united following of the old Protection Governments, there was then only an agglomeration of individuals herded by a doubtful document into something that was neither Conservative nor a party. Doomed to be indefinite, the leader whose power was a mockery wavered before such definite demands as even a quota or a selling agency. It was in tumbling helplessly back into the old state of affairs

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that Mr. Baldwin's aim appeared to coincide with that of the owners. An illustration of the inflexibility of the Government's mind occurred in June when a suggestion actually came forward from a group of coal-owners. The Cabinet Committee investigating the coal question dismissed their scheme cursorily. The Prime Minister himself perused it only to hand it over to Sir Arthur Steel-Maitland who shelved it in due course. It was natural that schemes came before the Prime Minister frequently, but having commissioned the Report at great expense of trouble and time, he wished to save his face by continuing on the same basis of policy. That is a common bureaucratic fault. Nevertheless, no wise statesman can afford to ignore the suggestions of the meanest subject, when they are wise. The advice of a subject to his ruler is usually good, it is his vote that is invariably bad. However, Mr. Baldwin is a man who has confessed to obstinacy.

The scheme in question for the National Holding Company stated shortly was to authorise a body under that name to carry through the amalgamation and control of the entire industry. The remedy would have been farther from nationalisation than the recommendations of the Report. The sale of coal and the regulation of production would have been performed by a united industry, instead of by Government officials and acts of state. The amalgamated collieries were to take up 5% shares in the Holding Company, and the Government was to guarantee the interest on the security of one-third of the company's equity. On the board of the company members of the Government, members of the public and representatives of the miners and the owners were to sit. The abuses of competition being finally overcome, it can be seen that the large working capital of the company, would have made it a worthy patron of research, and a formidable check on the highly centralised oil groups. That such a scheme went politically and economically very deep it is fair to contend. The scheme's only fault appeared to be its commercial flavour.

The originators of sudden remedies are not the people to know when they have made a profound suggestion. The essential point was that they had given, almost ready for use, a complete and perfect policy to the Prime Minister. These ideas following on Mr. Cook's letter should have been to the Government like a hint to a dense schoolboy to try and find the subject of a Latin sentence, after battling with an accusative for half an hour. They both could not and would not understand. The fear and trouble of changing their minds held them to the first and easiest road. Although this plan was imperfect their own plan did not exist. They, after all, were the statesmen who might have knocked off the rough edges and altered the terminology of these well-meaning coal-owners. Had they known the full principles of statesmanship or the principles of their own party they could have made use of it.

The idea of the National Holding Company was distasteful as it stood, but it was the principle that mattered. It was potentially a move which was consistent with the development of modern political thought.

If the Government had possessed the power or the vision they could have abandoned the Holding Company and set up a National Coal Council with complete autonomy. Here the Government could have followed up the three essential propositions that the Prime Minister ignored. Mr. Baldwin could, at a stroke, have relegated economics to their proper sphere, given the nation's second industry a recognised status, and abolished the salaries of a whole department of State. What the representatives of the public wanted to do on the board of the Holding Company it is difficult to see; the public has its own economic business to mind. So far as the representatives of the Government were concerned the existing Government might have allotted functional seats to delegates of the new Council. To expatiate further would be to embark on mere political theory, it is sufficient to show that an opportunity for statesmanship was missed. This digression serves its purpose if it only

reveals a place where Mr. Baldwin ignored the road of vision to tread the overbeaten track of strike and deadlock. He had this one chance to change the face of English political history, and overthrow the representative system.

The manner in which Mr. Baldwin slipped out of his predicament revealed the difficulties of his position. June 13th may be taken as the date on which he made his official apology. He had sunk from the realms of hope and the glamour of crises into the eternal rut. The powerless democratic statesman had to attend an open-air rally at Chippenham, in Wiltshire. Accompanied by Mrs. Baldwin, the Prime Minister was drawn through the grounds of his meeting place in an open carriage by enthusiastic supporters. With the pomp of an age that was passed, in the atmosphere of a Conservatism that could not readapt itself, Mr. Baldwin exemplified the crass folly of exoteric politics by addressing a mass meeting. The necessity of shrouding an absence of deeds by words was not necessarily Mr. Baldwin's fault. It was a normal symptom of his times.

In acquitting himself the Prime Minister revealed the political deadlock that exaggerated the coal controversy. "I do not admit," he said, "culpable delay in dealing with this problem, and I feel this very strongly. Given the preparation for the conflict, given the propaganda of the last twenty years, given the conditions of industry since the War, given the delusions that followed on the War, in my view what occurred last month was inevitable." It was true that Conservatism had been intellectually dormant during these twenty years and had nothing to offer in reply. There had been no leader strong enough to retire effectively from public life during the unprincipled advance since 1906. The nation and the race had been falling into decay under the policy of *laissez-faire*. It was tragic that the Prime Minister should have concluded his speech on a further topic and not recognised it as an effect from the same causes. "I want," he said, "to see our English labour

movement free from alien and foreign heresy. I want to see it pursued and developed on English lines laid down by Englishmen." It was expecting too much of labour when capital was much more guilty of alien and foreign heresy. Mr. Baldwin was demanding of labour, as an excuse for himself, a moral excellence that only the statesman could make possible by overthrowing the policy of economic *laissez-faire*. Where capital is uncontrolled labour also will be undisciplined. His excuse was the revelation of his powerlessness to enforce a political principle, and to give a statesmanlike lead.

The Coal Strike carried on to its own conclusion. Mr. Baldwin had acquitted and satisfied himself. He can be seen now to have faced a problem not in industry but in government. He has left it unsolved, misunderstood and in the light of existing opinion impossible of solution.

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## CHAPTER VII

### AN ESSAY IN CONSERVATISM

CONSERVATIVES would do well to remember that the eclipse of their leader has coincided with the decline of their party. It has not been a fortuitous occurrence, nor has Mr. Baldwin been necessarily the cause. Greater causes than either fate or Mr. Baldwin have been working to reduce the Conservative Party to impotence in the State. The career of the individual has moved into a decline within the limits of its lifetime, within a greater compass of years Conservatism has become a worn-out doctrine. In the high places of public life few men remember for what the old party once stood. Its tenets are considered reactionary. The fact remains that Mr. Baldwin's reputation has waned with a certainty and deliberation of which he himself is scarcely capable. It is necessary to see why his faith, his creed, his purpose in life should have followed his personality through the sear and yellow leaf to the final stage of stark and withered hopelessness.

Not once during the last ten years could Mr. Baldwin have answered the question "Where are you going?" He has known the places to avoid, but not the destiny he has hoped to reach. It has been an uninspiring position. As a result no sensitive or intelligent figure has come forward in the Conservative Party. Some have lingered on because it has been the party of their fathers, others have continued to profess the creed in which they had been brought up. Most enthusiasts have gone to the camps of the enemy or remained aloof. The leader of the party has not disguised

his belief that forces have been moving over which the party has had no control. That absurd position has denied the whole basis of the party system. The rank and file have wondered who has been responsible for maintaining the results of their endeavours if the leader of the party has disclaimed the responsibility. In all the major questions pure Conservatism has proved impotent. Mr. Baldwin's complacent ineffectiveness has been enough to terrify every man and woman out of the party. It can well be asked, why they have stayed on, and why post-war Conservatism has not been destroyed by its leader.

The answer is to be found in the history of the times. People will cling even to a sinking ship when the only alternative is the ocean. It should be a defence of the leader to show that the Conservative Party has been incapable of providing any weapon necessary for its leader's fight. A helmsman cannot be criticised after the rudder and the mast have broken. In short, apart from Mr. Baldwin, it is necessary to examine how the very creed of Conservatism could not be adapted to the times.

It must be remembered that in the old days it was the fervour of the party creeds that produced the men of whom the parties boasted. Mr. Gladstone was the champion of a cause and Disraeli the interpreter of a philosophy. Modern individualist ideas tend to over emphasise the men at the expense of the movements that they represent. The modern Press and the American film deals so exclusively with "stars" and "stardom" that it is a consequence that men in the social and political lead-roles should be criticised by their earliest deserters. The party voter has at any rate been so long engaged in "arm-chair" government that he has grown accustomed to be a bad critic and a casual spectator. His mind and his body have graduated to a plush seat in the political revue; that is centralised democracy. As a result of the over-systematisation of the wrong ideas people have refused to challenge the values and the axioms which they apply to politics, and when the application of

anything, I know it is written by the type of man who when he has smoked his cigar over the roses on a June evening to keep off the green fly thinks he has done a day's work."

Such a rebuff has been justified by many of the Conservative leader's critics. Mr. Baldwin has known that neither the Labour nor the old Liberal parties have suffered from the disadvantages of lack of purpose. To their rank and file politics have been a religion, the upkeep of it has fallen on their meagre pockets and affected their daily lives. Since the days of Disraeli the balance has always been in their favour because the possession of a faith has given them the energising force of sacrifice and emotional appeal. Many years ago the Socialist Party found its centre even if it was eccentric to the main focus of the nation's life. It discovered the eccentricity in 1926 when during the General Strike nationalism and Socialism were not found to be coincident. The essential fact was that because Labour had found its philosophic centre and fixed its orientation it had no need to be negative. Since the advent of the National Government, Labour has been reduced to the same hopeless position as Conservatism since 1923. By abandoning its philosophic scaffolding it has resigned its powers of construction. The interesting thing is that Mr. Baldwin has been afraid to fix his intellectual position because in the case of Socialism before 1930 the fixed position was leading the nation to disaster. Mr. Baldwin prefers being without his scaffolding because he feels more remote from revolution. Nevertheless he has admitted to his intimates on many occasions that there is something in statesmanship beyond party policies. He has not realised the magnitude of his discovery. He has discovered that there are many eccentric positions, but that only one position coincides with the focus of national life. To that concentric position all other ideas and opinions are biassed. Without achieving a national philosophy no fundamental and all-embracing nationalism can be acquired. Until the Conservative party is attached to some higher

intellectual centre it will never be positive, and will continue to fear without having reason to be feared. In the light of this rather complex reasoning it should be clear that few Conservatives can have meditated their position sufficiently to accuse their leader of being negative.

Mr. Baldwin is a well-read person, but cultured in a haphazard manner, and not endowed with a penetrating mind. He is not a man who has achieved unity of personal aim. To imagine that he should co-ordinate the hybrid jumble of ideas that gives a limp force to Conservatism is absurd. After the leadership of the late Lord Balfour, purpose in politics was gone, except for the eccentric fanaticisms of the left. That statesman had reduced political endeavour to futility. He appeared at the beginning of the twentieth century as an overblown and exotic flower that watched every other petal in civilisation fluttering nonchalantly to the ground. He represented the close of a cycle in history. The esteem in which the British public held him reflected the fact that they, too, had reached the close of their first destiny. The Conservative party was an institution the least able to avoid the effects of his indecision. The party machine, however, was well systematised; it was attached to the most stable elements in society. Perhaps, unfortunately as it has transpired, no statesman of the nature of Mr. Lloyd George was able to destroy it. Its probity was so well established that it disguised its nonentity. The truth is that Mr. Baldwin, after 1923, came to redeem something that opportunism and surrender had placed past redemption. It would have been kinder that the great party should not have struggled in its discomfiture. After the War and up to 1930 the Socialists have been entitled to deride, but Conservatives within the party ought in those years not to have condemned. Mr. Feiling who, as an historian of the Tory party is in a position to criticise, has written:—

“Like all parties it includes elderly men who aspire by safety to get in and young men who mean by daring

to get on, but three types have loomed most heavily in its counsels. There are the stalwarts of sheer prejudice and fixed tradition whose altogether admirable but unchanging code does not easily adjust itself to the fluid policies of world peace, social democracy and economic environment. There are also tacticians who win negative victories by pounding on the enemy's flank and profess to see little in Socialism but an army of plunder officered by adventurers; and last there are the men of goodwill who trust that bread cast on the waters, not of Gennezareth but of Thames, will return after not too many days and hold that character in itself constitutes a programme."

The criticism is just if the analysis is not quite accurate. The indictment is not of Mr. Baldwin, but of the Party. It demonstrates the decay of Conservatism that would have continued in spite of its leadership. It shows what it is so important to realise, that years, not of isolated, but co-ordinated, thought are necessary before Tory philosophy can be fit for a leader or hope to be effective.

If Mr. Baldwin cannot be blamed for his sins of omission, for his active transgressions he is entitled to censure. It has been allowed that he carried on under impossible circumstances; that he craved the prayers of the pressmen who congratulated him on taking office; and that he has apologised for his position ever since. He cannot, nevertheless, avoid his own remark that "he was of that somewhat flabby nature that always preferred agreement to disagreement." That has been a self-confession in the light of his active policy. Unnecessarily he has gone some way to weaken the party. He has seen the need for unity and thought he could achieve it by agreement. He has believed that the focal point of national interests was half way between the left and the right. In short, Mr. Baldwin has played an active part in acquiring calm by compromise, and a spurious unity by coalition. He has postponed an evil but inevitable day.

Mr. Baldwin has broadened the basis of Conservatism. After Mr. Balfour's leadership it was already too wide. It was one thing for Mr. Disraeli to call the Conservative Party a national party, but another to apply that particular quotation to the party as it existed after 1924. Once it was national because it had a national philosophy and a national programme, whereas it has only had a claim to the epithet of recent years by virtue of it being an asylum for all shades of eccentric opinion. To rejoice over each sinner that repents may be a sound policy with angels, it is scarcely calculated to enhance the prestige of a leader of men. Motive force is acquired by exclusion rather than by inclusion. The former leads to intensification and thus to a gradual building up into the full stature of unity; the latter encourages compromise and spreads with ivy brittleness into an uncoordinated coalition. Mr. Baldwin admitted the late Lord Melchett into the party at a time when he had better have turned several of his existing supporters into the camp of the enemy. Conservatism was in far greater need of pruning than of new branches. The Liberal converts have done little to strengthen the party's administrative capacity; they have certainly cooled its faith. Many of the party's strongest supporters have, by virtue of their wealth and interests, been the stumbling block in Mr. Baldwin's road to power. Trust in the leader's honesty has been often offset by mistrust of his followers' motives. Mr. Disraeli had a far stronger Government of backwoodsmen than Mr. Baldwin has ever led, because the working classes lost no self-respect in submitting to the former's administration. In short, so broad has become the faith of the party that it has lost the criteria by which to differentiate a Whig from a Tory, or a careerist from a patriot. To rediscover those criteria is to hack back the ivy and see what the bark of a National Government really looks like. It would disappoint Mr. Baldwin with its slenderness. The probability is however that given air and sunlight such a Government would overshadow the civilised world.

It is essential at this point to follow some historical thread in Toryism, in order to plot Mr. Baldwin's position as leader of the party. To practise a dilettante appreciation of the giants of the past is to insult men of purpose and deliberate action, but to ignore their guidance is to continue action without purpose. The greatest tribute to movement in the past is to re-discover the sources of motive in the present. To understand the growth of an organism is the pre-requisite of diagnosis. If a political leader is out of the true, what is truth? By what principles, in short, has the King's Government been carried on in the past and by what criteria has it outcast its enemies?

In the first place the existence of parties in the State is an admission of moral and intellectual anarchy. Political integration, which presupposes unanimity, is the highest achievement in statecraft, and can only be attained at the price of this system of government that has served its purpose for some three hundred and thirty years. The real statesman represents a united nation not by the factions he tolerates, but by the factions he attracts to the magnetism of his own constancy. Down to the end of the Tudors the symbolic sense of unity in the Crown was the sanction of real authority. In its service leaders rose and fell. Exceptions admitted, the person who wore the Crown was the focus of unity and was morally obliged to govern through the traditions of the people. Party politics arose when the Stuarts arrived from the anarchy of Scotland loaded with *a priori* ideas and adopted a biassed and eccentric notion of royalty. The Scots having no traditions of Government argued from opinionated premises instead of from the wealth of their own experience. The fatuous theory of the Divine Right of Kings was only in keeping with the more criminal delusion of the rights of man. The deep thinking English country dweller who was already demonstrating to the world his political genius, learned to take sides and to debate. Between the two illusions authority fell and civil war commenced to be

legalised and continued indefinitely under the modern name of party politics. The essential point is that the Cavaliers adhered to the Crown or symbol of authority and so from that moment Toryism has been the guardian of unity in the State. The task of its philosophy has been to formulate a creed that could restore the focus of political endeavour to a real or concentric position in the eyes of the people. Service to the Crown has been its axis of unity. As Nietzsche said "Man is something to be surpassed"; so that is true of Toryism. Toryism surpasses itself to defeat party politics. That is the attainment of truth.

The permanent consequences of this parting of the ways has been two-fold. The right holding the residue of authority is always the ultimate party of the great statesman. On whatever catchword he attracts the masses he must swing to the doctrine of the right if he means to hold them in his spell. The second consequence, furthermore, is that the philosophy of the right has to be sceptical of deductive reasoning, because tradition which is the basis of permanence cannot afford to tolerate opinion. It is in the submergence of opinion that reciprocity, the only foundation for culture, is attained. This is the full circle to truth in politics again.

Mr. Baldwin has shown that he does not appreciate this technique of unity. The narrative of Tory thought can be interrupted with one allusion. When the Conservative leader was inaugurated as Lord Rector of Edinburgh University, he gave his address on Truth and Politics. For muddle-headed dilettantism it will not be easily surpassed. He showed no appreciation for the attainment of truth. One passage is particularly germane:—

"Lastly there is the study of the ultimate science, the science of sciences, of moral philosophy for which this university has been justly famous. There was a time when it might be said that the chief export of

Scotland, measured in values, was metaphysics. It was to this University that more than one Prime Minister came to Scotland to sit at the feet of Dugald Stewart. The penetration of English practice by Scottish reflection was one of the most fruitful results of the Union, and still is happily proceeding in the person of our distinguished Chairman (the Earl of Balfour)."

Whatever Mr. Baldwin's personal opinion may be as to the Union, according to Tory valuations, it was only a secondary disaster to the union of the Crowns. The first export had in fact been the idiosyncracies of its dynasty. These saw the unity of the red rose, dissolve in the discord of the white. For the rest Scottish reflection has managed to synthetise since the Union the entire organic development of English polity.

It was in 1641 that the Grand Remonstrance was moved. That, in effect, was a gracious reply to the speech from the throne. The Stuarts considered it an affront to authority, but it was only the natural consequence of abandoning the profound, if somewhat irrational, Tudor conception of a people's King. Logic may suit the lowland Scot, but the English do not understand it. They have only flirted with it to produce anarchy. The individualist saw the King as a person, the traditional thinker had always understood him as an Estate of the Realm. The Crown was reflected differently in the two types of mentality. These types have remained through history in varying degrees as the opposing forces in two-party government. The Cavalier mind declared for the living symbol of authority, the Roundhead for the abstract notion of liberty. When Hampden refused to pay Ship money he excited much the same execration and applause as the "little navy" man before the Great War. The Cavalier refused to recognise that the pursuit of an ideal was any compensation for the waning glory of the Elizabethan Navy. The Roundhead preferred an ideal to a Navy.

The arrogance of the Roundhead (and it is well illustrated in the modern politician of the left) was the belief that he had any natural right to his opinion. The right only existed so long as someone else had an opinion about a more divine right. It is because Toryism is an empirical philosophy without opinions that it is more eternally satisfying, but perhaps less suited to modern democracy, than the individualist creeds of the left. It should be sufficient to show at this point the dangers from Celtic reason since the connection with Scotland in 1603.

After the Stuarts had been forgotten, the two contradictory types of mentality continued in their courses. The formal and rational type became the Whigs; the men of impulse and of instinct remained the Tories. In the early eighteenth century when the Whig became mesmerised in the formalities of a continental war, the Tory remained on his estate lamenting the existence of discord at home. The superficially formal mind of the Whig preferred the disorder of party intrigue and diplomacy. It was a sign of the meanness of his character. He hoped by technique and formality to adapt himself superiorly to a political world that was too generous for his qualities. After the "glorious revolution" of 1688 Whiggery reached an ascendancy that for years Toryism was powerless to resist. The contractual grant of the throne to a Dutch Protestant was gloated over as a great victory for reason. No voice was raised against the premature burden of a national debt raised for an alien princeling who never placed his affections where he raised his overdraft. If this particularly artificial piece of statecraft belongs now to the past, the intellectual arrogance behind it lives as strongly as in the succeeding days of Queen Anne. It shows that in politics the *a priori* mind is the death watch beetle that is always ticking in the rafters of tradition. The first stage in disintegration was the destruction of the nation's focal point by the eccentric notions of the great Whig lords.

It is worth noting here that the same mentality lives

in Geneva to-day that preferred Marlborough to fight his pompous war against the crowned heads of Europe, rather than that spiritual unity should be achieved at home. The Whigs were then as prepared to fight for the illusion of a European settlement as to-day they would spill blood on the more decrepit illusion of world peace. The old Anglo-Saxon idea of a royal settlement or the King's peace, has never tickled the fancy of the Whig. The goodwill of the idealist always reaches far beyond the boundary that he is able to affect. The mission mentality of the rather pathetic Mr. MacDonalds has over a long period in history chafed the village minds of Mr. Baldwin's more realist Tory peasants. It is worth venturing a pertinent question. Did Mr. Baldwin once intend in the face of this age-long clash of outlook to compare the League of Nations with the Presbyterian Church in order to congratulate Scottish students on their common sources at Geneva? He must have known that Geneva has for centuries been the running sore on European politics. The cradle of individualism, it has poured out as much irruptive matter through its Knoxes and its Rousseaux as Holland through its defenders of the faith and international lawyers. Mr. Baldwin's utterance on this occasion betrayed that he was either a confirmed dilettante or else a philosophic Whig. In connection with the formative period of Tory philosophy, the present Tory leader's attitude to idealistic thought is quite illuminating.

It was to the first large-scale movement of *a priori* thought in politics that Henry St. John Viscount Bolingbroke directed his attentions. The much-maligned philosopher of the Tory party was forced by the Whig oligarchs to find some intellectual basis for his beliefs. It has been the fashion for some years now to consider Bolingbroke as superficial and as a thinker who had an axe to grind. That is a perversion of the truth. The thought of few men in its maturity has risen more conspicuously above partisanship. It must be remembered that his critics

have been those inveterate individualists and methodologists who would have held only scorn for a Nietzsche or a Machiavelli. Bolingbroke and Harley strove during the absence of the Whig armies to achieve some kind of political and religious discipline in the State. Harley desired unity. Bolingbroke desired a more fundamental path to unity through a philosophic royalism. That was how the philosophy of Toryism arose.

It was obvious that although the Whigs might continue for centuries to live in aristocratic splendour, they had sounded their own death knell. Aristocratic values could hardly survive if the minds of the bourgeoisie began to ruminate on equality. That occurred during the French Revolution. The same process occurred on a wider plane with the proletariat during the Russian Revolution. The great Whig lords had surrounded the Anglo-Saxon polity with the breaching trains of anarchy. Aristocratic thought could only exist where there was some basis for authority. Quality could only then be logically maintained on a higher plane than quantity. The confusion of high and low, of aristocratic and democratic, of English and American standards which has brought Great Britain to her knees, has been the natural result of Whiggery. When Mr. Baldwin makes his incessant pleas for quality he does not appear to be conscious of its political application. He has not fathomed what Bolingbroke realised during the reign of Queen Anne. He may have appreciated that unity is the basis of culture and freedom, but no modern Tory understands the technique of unity. The aristocrat from the peasant classes who still understands and practises Toryism at the moment votes Socialist. The fact remains that if democracy manages to lose the Empire and the philosophy of Toryism assumes supreme power, as has occurred in four major European nations, the maligned Lord Bolingbroke will be happily avenged.

A later period that illustrates the practical application of Tory principles is the age of Pitt. Then Toryism

displayed its comprehensive qualities by rising to a virtual dictatorship. Fears of the French Revolution attracted to the forefront principles that were designed for government rather than for evolving systems. Similar conditions to the Russian menace in 1924 put the party of the right heavily in power. The friendly acquiescence of England turned towards Russia and Austria and against bourgeois France. That was a manifestation of national feeling that has always been the surest road to peace in Europe. Pitt rose through the crisis as a man who had found his orientation from a patriotic centre. No man has lived more in the service of England and as Lord Rosebery wrote "there was no more patriotic spirit, none more intrepid, none more pure." He carried realist principles by his constancy of purpose above party politics. He found himself in a position to persecute, and toleration was not necessarily the essence of the unity which he achieved. He laid the stumbling block to Napoleon's negative and individualistic career. On one occasion he silenced with a wave of the hand the humanitarian ex-Lord Chancellor, Lord Erskine. Even George III learned sufficient Toryism to retort to a Scottish minister: "None of your damned Scottish metaphysics." In such a manner the tide of individual opinion was repelled, at one of the most crucial periods of history. The French Revolution was powerless to impregnate with its dangerous ideas the stern polity of England. Judged by Tory standards it was a supreme sense of realism by which England scorned the catchword of Liberty and Equality.

The last phase of principled politics in England came with the appearance of Benjamin Disraeli. He learned to think inductively from his profound father Isaac Disraeli, and moulded his political scepticism on the principles of Bolingbroke. Disraeli failed because his insight into politics coincided with the hey-day of *laissez-faire*. The transitory economic advantages of that system brooked no criticism while they lasted. Disraeli laboured after a precautionary unity that was not for the moment an economic necessity.

In the Conservatism of Sir Robert Peel, he found a middle-class and short-sighted policy. The Conservative party was in much the same state as it is to-day, appealing to moderate opinion because it was entirely noncommittal through a confusion of values. It tried to apply Tory standards to Liberal conditions and inevitably sacrificed the standards to the conditions. The ruling classes had lain fallow since the Napoleonic wars, and principles of government were laid aside heedless of the future. Disraeli looked on the growing City of London as a Whig creation, and he understood Protection as Bismarck did, and later Joseph Chamberlain, from a national and not a manufacturers' point of view. To Disraeli the items that figured on a balance sheet were only important so far as they fostered the character of the people. He legalised the Trade Unions and one can fairly surmise that he recognised in Socialism an exhibition of the unled forces of revolting Toryism. It is doubtful if in August, 1930, he would have called a Government national that was opposed to those forces. Disraeli would have co-ordinated industry even in those days on a national and static basis. He was sixty years before his time in attempting to achieve unity in modern industrialism. In comparison with Mr. Baldwin it is important to remember that Disraeli's theory of the two nations might have rendered a great service to political concord, if later Conservatives had not taken to appealing to middle-class opinion. Of Disraeli's Toryism generally, Monypenny says: ". . . we feel the sentiment that gives to Toryism its power over the imagination, and for lack of which Liberalism in spite of its self-confident and triumphant advance remains in comparison mechanical and uninspiring, invested in mediocrity, stamped with the seal of the commonplace and profoundly unsatisfying to the deeper spirits of every age."

By passing the mind over the high moments of the past it should be possible to reach some conclusion. From their tombs great statesmen have revealed the common source

which has inspired their actions. They have shown the science of leadership and refuted the individualist delusion that great leaders arise haphazard. Each constructive English statesman has been, in effect, a disciple of Tory philosophy, for the reason that, as the Crown alone has permanent existence, a career outside its focus is isolated and biased. Toryism in its maturity is the philosophy of royalism and authority. From the most cursory analysis of politics it should be clear that the purpose of royalism is to avert the dangers of doctrinaire reasoning and so to secure continuity. Royalty is a safeguard of realism and a check to an anarchy of opinions. The discipline of the State leads to the discipline of the mind. Toryism is co-ordinated thought and should reach beyond any mere individual confession of faith.

In the last extreme it cannot tolerate party politics because it is institutionalised truth. It can only be uttered with the sanction of a royal decree; from the mouths of judges and bishops it first satisfied the English people. It is a half truth to admit, as modern Conservatives do, that Toryism is an attitude of mind: that is a compromise with party politics. It should be manifest from the endeavours of the past that *Toryism is an eternal quest to achieve unity in motive.*

A philosophy of government sufficiently fundamental to achieve unity is wanted in the modern state. The decay of political energy has made the time riper than at most periods of history. Mr. Baldwin, as the accredited leader of the right, is the man who should have first realised the necessity for, and encouraged, the intellect. He found himself in office while the disillusionment of the War was weakening the creeds of the left. The bias of pure Liberalism had divorced the aspirations of that party from the wishes of the nation. Mr. Baldwin himself came into power because Liberalism had deteriorated into an individual career. He broke Socialism during the dark days of the General Strike. He has watched a school of the right in Italy throw Mussolini

into the curule chair of authority. In Germany a molten nationalism sizzles round the waiting moulds. Spain has revolted, and from Mustapha Kemel to Stalin the outer bounds of Europe have witnessed action. After two centuries of individualism the quest of unity is afoot. Only in England, once the political leader of the world, is the public mind stagnant and defunct. There is the so-called political science of the London School of Economics, but that is based on the outworn bourgeois values: it represents the death agony of Fabianism. So far as co-ordinated thought is concerned, no attempt has been made by the statesmen of the right to remedy the root causes of their own inaction. Conservatism remains flaccid and unintellectual and less fitted to deal with a crisis to-day than it was in 1926. Only the character of the nation stands in the road of disasters, but beyond moralising on it, Mr. Baldwin has done nothing to provide a basis for character. If his critics want a real ground for criticism it is here and here alone.

The neglect of patronage by a political leader is a crime, all else may be ignorance or folly. Mr. Baldwin's personal qualities make the charge all the more grave. For some years he has abandoned the attitude of the practical man and posed to all the world as a man of letters. Few men have read more widely in political literature, although for the most part the knowledge remains in undigested chunks in his brain. Unless he is a confirmed Liberal, which he is not instinctively, he must realise that no individual can set up the process of mental mastication by which knowledge can be moulded into purpose and policy. Every isolated Tory thinker is of necessity superficial unless he possesses a rare profundity of character and inherited understanding. It is of the nature of all unitarian thought that it should be monastic in formation and pontifical in utterance. The leader can only set up the processes by evolving policy. He will be powerless to achieve unity otherwise. Mr. Baldwin who prides himself on being Chancellor of Cambridge

University, has been shamefully neglectful in the nurture of thought.

The examples in politics are not far afield of what the co-ordination of thought, however eccentric, can achieve. The Fabians succeeded in revolutionising the outlook of the nation under the guidance of Lord Passfield and Mrs. Webb. In twenty years the bureaucracy has grown to a political absurdity and every tradition of self-help and local government has been destroyed. It has been no small achievement to have left the masses educated, in black-coats and provided for by the dole. If a further example is necessary, there is the case of Mr. Asquith. There was a period after Mr. Lloyd George had destroyed the Liberal party, when most of the able figures in public life were ex-Liberals. They framed a brilliant industrial report in 1928—men who had no deep convictions outside their own careers found themselves slavish followers of Mr. Asquith's values. That was a triumph of leadership. It should be obvious therefore that the first necessity of the right is to possess a school of political thought that can discover a moral and intellectual basis for action.

In recent years the Tory Party has not failed to inspire certain individual confessions of faith. These contributions to motive power have unfortunately remained as they were written—mere opinions. Despite the fact that they have revealed a common origin and a similarity of ideas, they have never been co-ordinated. Their writers are for the most part lost in the humdrum of Government routine. They have served the individual careers of their authors, but scarcely affected the course of the leader of the Party. "Toryism," wrote Mr. Baldwin in a foreword to a little book by Major Elliot, "like every profound and vital principle is capable of adaptation to the ever-changing facts of social life." The task of the political leader is precisely that of re-adaptation. It is for him to patronise and nurture every line of thought that tends to create power. It is for him to see that every individual opinion passes through

the same channels in order to attain the fullest maturity. The more concentrated the sap, the more intense will become the blossom. Thought is useless to a leader until it is cleansed of sentiment and free from all individual bias. Power is cold and deliberate unity of intellect. To overcome and not to succumb to dilettantism was the direst necessity for the Conservative Party after the War, and it was Mr. Baldwin's duty to have marshalled its intellectual capacity until he was able to have defined its purpose. Thought can only assist a statesman that has the weight of a pontifical pronouncement; each expression of opinion that the crowd can detect causes them to lose confidence.

The extent to which the Conservative Party is the slave of democratic values is manifest. With the example of patronage by Mr. Asquith and the success of the Fabians wounding it in the side, Ashridge College was started. The college is a pretentious extension of the principles of political education for working men, successfully started and controlled by Sir Philip Stott. The expense of Ashridge is large. It is a glaring instance of starting at the wrong end of the shafts. It is impossible to call an educational community into being. Every permanent institution must have growth. The Tory party had natural growth from the earliest days of the struggle for authority. The Carlton Club did not procure premises and embark on a full membership. It commenced with the friends of the Duke of Wellington. The American Constitution is another example, from a wider sphere, that even a nation cannot be improvised. No community will unite intellectually unless it has first had a common object in achieving. Consequently no community will unite intellectually unless it has first been a monastery or something similar in nature. Ashridge then is a superimposed technical school and about as useless and dangerous to Toryism, as a modern university is to the country at large. Its inception was due to liberal thinking and accepting the necessity for the nurture of thought, money is spent on the upkeep of a beautiful house and

grounds where valuable thought can only be unprofitably diffused. There is not a chance of a nucleus of political thought ever arising at Ashridge.

To allow individuals to propound opinions on politics is an insult to a high profession. To lecture on details of policy serves no purpose. It would be considered strange in the law to instruct people in intricate briefs who had no knowledge of jurisprudence. No layman would be thrust into an operating theatre with a knife without showing a profound contempt for the science of surgery. Nevertheless at a period when democratic government has destroyed the whole science of statecraft, when purpose is undefined, both the brief and knife are handed out to the stragglers of the Conservative Party. This is only one of the dangers of over-civilisation, that people's minds run to the finished article. What is wanted to-day is a political school not created but creating. Experts are not required to instruct the untrained in their specialities, before a permanent nucleus of intellect has formed round some fundamental philosophy. Such a nucleus would permanently enrich the statesmen in power and admit those desirous of giving politics a serious study into the advantages of a mature and disciplined priesthood. Ashridge has failed by again attempting to widen Conservative appeal from the wrong end. Several of the most open opponents of Toryism and some of the most doubtful of its friends have been allowed to inculcate into the fortunately not effective audiences all the dangers of professed impartiality. The lecture list at Ashridge would have convulsed a statesman like Pitt, a thinker like Bolingbroke, or a scholar like Sir Henry Maine. It is a travesty on the quest for unity. Neither the lecturers nor their audiences have the slightest intention of every abandoning their individual idiosyncracies or their democratic opinions.

In short, Toryism can be amply defended for not doing the Tory thing, but it is impossible not to censure it for deliberately doing the liberal thing. Toryism depends on the co-ordination of technical knowledge, therefore it is absurd

for the Conservative Party to waste its time diffusing technical instruction to political workers who are not in a position to co-ordinate. The attempt is vain to make the man in the street understand the details of a case when his lecturer only has an opinion on the principles involved. The man is more likely to learn Liberalism than Toryism. If it is to be asserted that Ashridge is an advertising scheme to get people to say in their constituencies how much they enjoyed themselves, then quite clearly the party is wasting twice the sum of money it would cost to fit itself to rule the Empire. Mr. Baldwin ought to have made some gesture to prevent his followers being duped by democratic values. The opportunities for the use of such a gift as Mr. Urban Broughton's were legion. Nevertheless, of the very nature of Tory philosophy it is just to maintain that it was more in need of a monastery for its advisers than of a political technical school for its unselected supporters.

Such examples as these reveal the places where Mr. Baldwin has failed to revitalise Conservatism. It is as a leader of his movement he has failed, not necessarily as a statesman. In the latter part, to use his own frequent words, "he has done his best and no man could do better," but as a leader of thought he has left issues more obscure than in the indecisive days of the late Lord Balfour. His inability to act has been his inability to find his way through the surrounding system. Only the intellect can penetrate the labyrinth of false ideas that nowadays obstructs movement and development. Instead of reinforcing the dogmas of the right he has flirted with the ideas of the left. He has encircled himself about with an entourage of dilettantism, and insulated himself from the few remaining currents that moved the limpid waters of political thought. One by one supporters have flagged in support of the most 'comprehensive of philosophies because they have felt that it was no longer vital or fired by a purpose. The policy of Pitt or the philosophy of Disraeli inspired human emotion. The inconsistent tactics of modern Conservatism to meet every passing

sentiment has driven youth and intellect to rebellion in despair. At a time when the quest for unity has moved every nation in Europe, Mr. Baldwin has not by a single utterance given any indication that Toryism could even be adapted to the English crisis. He has kept his eyes on the masses without realising that an intensive concentration on the few could change the outlook of civilisation in an evening.

Mr. Baldwin's own mind typifies the lack of concentration that has led to this diffusion of post-war political energy. He has allowed his own purpose to be side-tracked by liberal illusions. "Let us take our stand," he once said on public right and the law of nations, "with Grotius rather than with Machiavelli: let us seek to moralise our public intercourse and reduce the area of casuistry and duplicity." It is difficult to imagine a realist being shifted from his centre by the worthy hallucinations of a Dutch International lawyer. It has been the pursuit of international morality that has given Mr. Baldwin so much to lament in the decay of the natural morals of the English people. It has been Liberalism and the distracted quest after ideals that has undermined the character of the people. Casuistry and duplicity are the creatures of impotence, while immorality is only the result and not the cause. A Europe that once possessed a morality for the home and for the nation, has now apparently reserved that morality for the millennium. There can be no public right when right is a private matter, only unity and authority can make it public. The King has a right among his subjects, God in His churches, the father in his family; all other ethics are in political life illusion and nonsense. Mr. Baldwin is quite correct to believe with Lord Acton that liberty only exists where there is a common morality, but a common morality only exists where there is unity and that is the task which the Tory statesman has always endeavoured to achieve. If world morality or world authority were possible, the Liberals would search farther afield as they would have ceased to be ideals. It is strange that a man who is a realist by inclination and a peasant at

heart should allow his intellect to be ruffled by the sentimental aberrations of an idealistic thinker. Mr. Baldwin betrayed the real Toryism in order to pander to the passing desire for world peace. He was distracted by circumstance to confess his impotence as a statesman.

Mr. Baldwin has never allowed his intellect to confirm his own instincts. He has allowed his mind to develop collaterally out of some late Victorian past. That is why to some he is an enigma and to others a traitor in the Tory camp. Actually the liberal mind is only an intellect insulated from its own experiences and so forced into doctrinaire thinking. Mr. Baldwin's mind is liberal against his inclinations. But for his slavery to circumstances and his nineteenth century prejudices he might well have felt the truth in politics and not rambled after it before an assembly of Edinburgh students.

Furthermore, no statesman could rise above his age without consciously or instinctively drinking deep of Machiavelli. Mr. Baldwin only mentions his name to hush it up with prudery. The fruit of the profoundest mind, Machiavelli's thought has only suffered the deliberate misrepresentation that biassed intellectuals have always applied towards the truth. From him Mr. Baldwin might well have learned the art of the nurture of thought and done for the Conservative Party what Mr. Asquith did for Liberalism before the War. Had he substituted *the Prince* for his reading of Jane Austen and Mary Webb, a real national government might be in existence by now, instead of a hotchpotch of eccentrics and infidels labelled by a national flag. England, with Europe, is awaiting the renaissance of aristocratic thought and culture. Socialism is an emergency creed and doomed to disappear. What Mr. Baldwin has failed to do is to tear up Liberalism and liberal philosophy root and branch. For fear of revolution from Socialist forces that he could have annexed, he has flirted with his real enemies.

It is impossible for a man to lead a party or for a party

to gain adherents, without the one or the other possessing some doctrine of government. Every movement must have a creed. A mere devotion to law and order is not sufficient. In England the realist mind of the Anglo-Saxon still queries whose law, and what order? Mistrust for idealism goes hand in hand, as it has done through the centuries, with a suspicion of lack of principle. The man or the party whose attitude towards the principles of private property, insurance, education and the like is clearly defined is over half way to solving the practical problems of the "means test" or "tariffs." On no topic in recent years has the Conservative Party had any semblance of an agreed attitude. The working classes have known that well enough, but supported it on occasions, when its dead weight could be trusted to avert a revolution. While Toryism cannot contemplate the existence of democracy or public opinion, its leader has eulogised the one and bowed down before the other. He has enslaved the realist party to the nebulous idea. It was in May, 1924, before the Junior Imperial League in the Albert Hall that Mr. Baldwin made the most desperate plunge into political theory. The results of his rambles round classical democracy should have terrified him back to Toryism in despair. Nothing daunted the most incredible dictum of his career fell from his lips. "Democracy" he said "is the most difficult of all forms of Government and therefore it is the more worth our giving our lives to make it a success." Never can an audience have been called on to make a more insane sacrifice and never can a system of government have received a more gratuitous insult. Such is the weight of the nebulous idea in awkward circumstances.

On these occasions Mr. Baldwin mystifies the Tory with his mental confusion. Once again he was baffled by a moral difficulty. It can only be his Scottish ancestry that causes him to worry over morality, because it is a stage the English have risen above since they emerged from the Middle Ages a dominant people. Only a man in a state of political and mental confusion would attempt

to reconcile democracy with service. Service is the complement to Royalism and aristocratic rule. The Prince of Wales's motto *Ich Dien* has been the foundation of English political theory. Toryism can be trusted to restore service to public life as soon as its leader will unleash it from democracy. Service returns to the basis of English politics when unity is practised and professed. The first part of Mr. Baldwin's dictum about the difficulty of democracy appeared in one of four essays on popular government written by Sir Henry Maine. Mr. Baldwin may have read it there and become seized with the typical Celtic heroism to achieve the impossible. He at any rate did not imbibe a further extract from that great scholar's work. The process by which democracy destroyed service by assisting the petty careerist was brilliantly revealed:—

"There is no doubt that in popular governments resting on a wide suffrage, either with or without an army or having little reason to fear it, the leader whether or not he be cunning or eloquent or well provided with commonplaces, will be the wire-puller. The process of cutting up political power into little fragments has in him its most remarkable product. The morsels of powers are so small that men if left to themselves would not care to employ them. In England they would be largely sold if the law permitted it; in the United States they are extensively sold despite the law; and in France, and to a less extent in England, the number of abstentions shows the small value attributed to votes. But the political "chiffonier" who collects and utilises the fragments is a wire-puller. I think however that it is too much the habit in this country to describe him as a mere organiser, contriver and manager. . . . The wire-puller is not intelligible unless we take into account one of the strongest forces acting on human nature—party feeling. . . . It is through this great natural tendency to take sides that the wire-puller works."

This essay written in 1885 by the learned Master of Trinity Hall, Cambridge, and ignored, answers all the queries that could shake the present Chancellor of the University in his belief in Toryism. Sir Henry Maine had not based his criticism on a common-room indifference to the hazards of real administration. It should not be too much therefore to expect a political leader to consider the warnings of past thinkers in his own school of thought. Mr. Baldwin does not seem to have realised that it was for him to remove the wire-pullers by nurturing the philosophy of unity, striven for by Bolingbroke and Disraeli. He was the man who until the present has had the chance to raise the voice of authority in the twilight of civilisation. The peasant statesman from Worcestershire was the person to have turned the Celtic and Jewish intriguers out of the bankrupt sinecures of Whitehall.

That the times have been ripe for straight speaking is clear. The evidence is abundant that Liberalism as a philosophy is dead. Nowhere is democracy safe. It is just therefore to censure Mr. Baldwin, not for his necessary inactivity, but for wantonly wounding his followers by intellectual outbursts of Fabianism from the platform. Never has political power been easier to create and never have the English people been more desirous of unity than at the moment when the Tory leader, by his lack of intellectual purpose, gazed into the old Liberal horizon of uncontrolled progress, misery and illusion.

Inconsistencies, often hidden in speeches and in conversations, are difficult to detect. Once detected they reveal the natural working of the mind. A man who has achieved no intellectual constancy, cannot hide the fact indefinitely. They are discords that shriek in the ear of the trained listener. The philosopher is conscious of them intellectually, but the masses are sensible of them instinctively. Toryism, as an instrument, has been played too far back in the centuries not to have acquired a critical

and almost hereditary audience. A heresy against the truths of statecraft is self announced.

Perhaps Mr. Baldwin's most subtle but conclusive discord was barely more than an oratorical gesture: it revealed nevertheless that he had failed to analyse in the first degree the situation he was called upon to command. There was no mistaking his confusion. It was a remark so criminally inconsistent with Toryism that it acclaimed its own guilt. He was attempting to revile Socialism in the minds of young Conservatives. It would be thought that the faults and superficialities of Socialism were near enough to hand. It has perhaps one transcendent virtue for which Disraeli, as a Tory leader, set the Trade Unions on the road to power. That one virtue was what Mr. Baldwin managed to account to Socialism as a vice. "There is," he said, after deploring the conditions of our people, "a very famous sentence of Sir Henry Maine's in which he said that the progress of our civilization has been of recent centuries a progress on the part of mankind from status to contract. Socialism would bring him back from contract to status." Mr. Baldwin set the full throats of youth deriding the heroic struggle of Socialism for status.

It is strange that the name of Sir Henry Maine appears again in the same connection. When this generalisation on the Roman Law of Persons and the English Law of Real Property was made, the important word "hitherto" was used. "Hitherto," ran the exact quotation, "the movement of progressive society has been from status to contract." Since this was written Mr. Belloc has written his book the *Servile State* and there has arisen in the political world a class that has lost the very status to contract. Sir Henry Maine as a lawyer was at least referring to free agents and would not in 1861 have contemplated the working classes reduced to the first stages of the status of slavery. Everything in politics if uncontrolled swings a full circle. Even status returns to status and class to caste. Toryism and

Royalism once were the guardians of free status but the contractual theories of the Whigs produced the orgy of individualism that has now found retribution in servility. The fundamental desire therefore for political status is the point where Socialism and Toryism meet on the real issue with Liberalism. If Toryism had known itself or any leader had believed its doctrine, either could have hauled the Trade Unions out of the slough and so embarked on the road to national unity. Socialism is seeking in defence the state of society that Toryism has always demanded in the positive battle for authority. The difference is in method, but Mr. Baldwin should hardly lead the professed aristocratic party while Labour struggles unaided to achieve class and stability. He should hardly apply a bourgeois and Liberal criterion to its endeavours. His perhaps innocent gesture shows a grave failure to grip fundamentals.

The fact that the law is forced to-day to recognise status both in the case of Trade Unions and Workmen's Compensation is the most ominous sign in a free country. In spite of progress the law is asked to resist the privilege of the capitalist class. Liberalism has in other words allowed the King's Government to enslave the King's subjects. The search for liberty has defeated its avowed object.

How the position has arisen is clear. The great illusion of the contractualists has been that labour was a commodity. Toryism alone has been in a position to give a fundamental lie to this belief. Recent generations of Tories have made no effort to expose this deep-seated cause of Socialism and Mr. Baldwin by his mis-quotation of Sir Henry Maine has actually condoned the Liberal deceit. It is clear from Liberal reasoning that, if Labour is a commodity, it can be bought and sold in the cheapest market, and the eventual process of degradation must lead human life to the same position as all other mass-produced articles. Karl Marx, Soviet Russia, over-production and unemployment are only among the logical conclusions that have resulted from this insane premise. Liberalism has been the

tradesman's philosophy. Disraeli flaunted the Conservatism of Sir Robert Peel because it believed in the vice of buying in the cheapest market; Mr. Baldwin's policy has been hardly less middle class. Toryism, which is based on aristocratic values, buys the best commodity irrespective of market. Taste, the Tory has realised since time immemorial, becomes degraded by competition. Competition cheapens and encourages quantity as opposed to quality, a result which when applied to Labour leads to squalor and revolt. In goods the result of Liberalism has been Ford Cars, in nations discord, and in human life famine and demoralisation. The petty contract lust is at the root of it; the loss of status is the inevitable result. It is because an intellectual return to status would restore the peasantry of the world and create a demand for quality, that it is a prerequisite of political permanence. It would lead to the close of the domination of American values and to the dawn of a new England.

It remains difficult to analyse why Mr. Baldwin has allowed these heresies to pass his lips. They should have offended his own sentiments, so often expressed about quality and craftsmanship. He has watched contract and trade destroy English manners and culture. He is one of the last men to have seen status in industry and worked where quality was counted higher than efficiency. Behind the scenes of public life he has laughed at the vulgarity of American ideas and American ways. He has gone out from the circle of his friends to be polite where he could have been superiorly insulting. His reserve as a statesman has been the product of knowing instinctively the truth. He has sensed with the peasant that civilisation is only screeching to its doom down newer and broader by-passes. He must have realised furthermore that none of the existing political organisations can survive fifty years. His heresies can only be recantations under the weight of circumstance. He can only have betrayed his sense of values through fear of putting the clock back. To espouse Liberalism has been

to avoid disagreement; to have fought Liberalism would have been to face the dominant force in civilisation since the days of Locke, Rousseau and of Adam Smith.

The fact remains that Toryism is a greater force than party politics: that Mr. Baldwin has sacrificed the lesser to the greater, not from craftiness but from inability and fear. He has left the task of Toryism unaccomplished, but alone between disaster and the race. The quest for unity is unsatisfied. Toryism still demands, despite the failure of Conservatism, the intellect to be comprehended, the imagination to be revealed, and the will to be achieved.

## CHAPTER VIII

### PARTY LEADERSHIP

MR. BALDWIN as a party politician was a figure that did not emerge until after the election of 1923. It was when the leadership of the Conservative Party had ceased to be an honourable and become an ignominious position, that he was forced to become a master of tactics. The Protection election was a greater tide in his own affairs than in those of the Party. Lord Curzon watching the Prime Minister's course before that event had written:—

“We are being involved, as I think quite unnecessarily, and unwisely, in a conflict that can only be solved by a General Election! That this can strengthen the Government I can hardly believe: that it may materially weaken us, is at least probable.”<sup>1</sup>

The sordid realities of party politics had not as then damped the ardour, nor obscured the imagination of Mr. Baldwin. To warnings from experienced statesmen he was deaf. Again, during the election campaign Lord Curzon wrote:—

“Personally I deeply regret and deplore what I regard as a premature and unnecessary dissolution. But the Prime Minister is very confident.”<sup>1</sup>

It was the rude awakening of November of that year, which shook Mr. Baldwin's political nerve, and com-

<sup>1</sup> Extract from a letter quoted in Lord Ronaldshay's *Life of Lord Curzon*, p. 364, Vol. III.

pelled him to follow a course that he would not normally have chosen. The significance of that moment neither the public in general, nor his critics, appear to have realised.

From thenceforth Conservatism has remained without unanimity as to purpose or to policy. The variegated shades of opinion among its adherents have made it powerless when it has seemed most powerful. Viewed from one aspect the greatest triumph of current politics has been the manner in which this nebulous and unrepresentative party has maintained itself in power. The honour for the triumph belongs entirely to Mr. Baldwin. It raises the whole question as to his ability in party leadership. It answers the supposed enigma of his personality, and explains the sudden metamorphosis of his character. The diabolical ingenuity with which he has unwittingly performed his task may have shrouded him with mystery before the public. That is only because such cleverness fits ill with the ordinary man's conception of the artless and ingenuous squire. The truth has been worse confounded by an uncritical confusion of office with power and numbers with strength, followed immediately by complete disillusionment and the realisation that in itself the Conservative Party has had no power. The story of Mr. Baldwin as a party leader is that of a man who came to blaze the trail, but early blunted his axe. Ultimately he was forced to rely on his animal cleverness to crawl through the trees. Sometimes his trek seemed unedifying, sometimes the route seemed devious. The moral of the story has been that force of circumstances can make the most ingenuous display ingenuity. It has really been a reflection on democratic government.

There was a picture of Mr. Baldwin before the winter of 1923 that should always be remembered. In those days he brought his fist down on the table and declared his determination to end the abuses of the Lloyd George regime. The government of gentlemen was to be restored and character and scruple were to rule again in the high places.

The superfluous officials who had acquired office round about Whitehall were to be removed and not replaced. To-day the position is to all intents and purposes the same. Where character has found its way to office it has lacked imagination, and where scruple has been intended circumstance has demanded cowardice or deceit. Strong men have been sacrificed to save a row, and suicidal measures have been doubtfully glossed over and thrust upon the statute-book. The point of interest has been that these things were inevitable under the over-developed Parliamentary system, and Mr. Baldwin has been forced, against what has always remained his will, to play the party politicians' game. Office without power has often made simplicity and honesty impossible to maintain, and the statesman in imagination has been forced to be the politician in fact.

It is one thing to believe passionately in principle and another to thrust principles upon the parliamentary machine. The routine has become master of the individual and the routine must always increase. Government offices develop like the Stock Exchanges or any other media for transacting business. They offer undoubted advantages from a certain point of view and then become irreplaceable. They become nevertheless a fetter on free action in greater measures. The statesman is always meeting the assertion that you could not very well do without them to-day, and so his darling idea and his capacity for leadership becomes curtailed by the routines. One illustration of this unnatural growth is the Cabinet Secretariat. It is one of the legacies of the Lloyd George regime that must last the Parliamentary system to its doom. This is no place to show that it is contrary to the spirit of the constitution, even if it is no more unconstitutional in fact than the development of the House of Commons itself. It is but one illustration of the world of mandarins in which a squire must perish or renounce his individuality. It is the tightness of the system that sets back the statesman with only nominal supporters.

In judging a Conservative leader to-day it is not a question of what he is, but what he will be forced to create himself. He will be disillusioned against his fondest wishes. Accepting the fact that Mr. Baldwin considered it his duty to lead Conservatism through the post war years it is only fair to judge him in relation to his task.

After the debacle in November, 1923, he desired personally that Labour should take office. For several days he had neither the will nor the intention to play the party game. The uncongenial task of being ingenious was almost thrust upon him. The clear Conservative majority of seventy-five over all parties had fallen to a minority of ninety-six. It was quite clear that the responsibility for the catastrophe fell upon his shoulders and that, judged from a party point of view, it had been the result of his impetuosity. At that moment there were forces within the party that could probably have stampeded him into retirement. As events turned out the Conservative Administration decided to remain in office and move the Address at the commencement of the next session in January, 1924. During the week-end of December 8th the Prime Minister consulted several of his closest advisors at Chequers. On Monday, December 10th he returned to London and tendered his intimation to the King.

This action saved Mr. Baldwin although it had been prompted by many mere tactical considerations such as giving Labour her chance under circumstances in which she could do little harm. It also saved Labour from the extreme embarrassment of forming an administration in all the hurry of its first flush of almost unexpected success. On this first occasion Mr. Baldwin remained in office at the behest of circumstances, it was a tide in his affairs but unpremeditated by himself, and, therefore, as it was shortly to prove, a source of weakening in his power.

If his intention had been to play the party game, no doubt should ever have been displayed as to the advisability of carrying on despite the moral defeat. The party-minded

Conservative would have in any circumstances accused the leader of having squandered the fruits of Mr. Bonar Law's endeavour. Had Mr. Baldwin wished, he could have carried on a successful minority Government in the face of the Liberals. If, on the other hand, he intended to keep the issue in the realm of dignified statesmanship, he should have instantly retired. The 1923 election had been the highest move in his career. Since then he has been a leader without a soul, a figure decreasing in strength and importance. It is almost safe to prophesy that had he retired then with fixed determination he would have been recalled again by 1930 to the councils of state possessing the real power to lead. The warnings of Mr. Joseph Chamberlain might have been honourably vindicated in the recent crisis. The interesting point is that there were two alternatives, party politics or statesmanship, and Mr. Baldwin allowed himself to be drifted into the former, without evincing any will, or even appreciation of the two courses.

From the outset the Conservative party was placed in an ignominious position. It had to be a pawn to the master tactics of Mr. Asquith. It was clear that although the day of the Conservative Party had arrived after the War, the Liberals would remain masters of parliamentary government. Mr. Asquith took advantage of the appeals from the Press and elsewhere for the Conservative and Liberal parties to unite against Socialism. He quashed instantly the idea of uniting his forces with those of Mr. Baldwin. He declared in December to the National Liberal Club that the great Liberal Party was not "to be treated like a horde of mercenaries and moved from camp to camp," and that they would not be "soldiers of fortune in squalid faction fights." The Conservatives, twice outwitted before 1914, this time heard complacently his professions of strength, and completely forgot that the real "mercenaries" and "soldiers of fortune" were their own following, still the largest party in the House. It was they who had been beguiled into accepting office without power and were thenceforth destined with

their leader to play at Parliamentary tactics until they melted away the party into the Coalition of a National Government. The Liberal leader bought Mr. Baldwin body and soul by a trick.

Mr. Asquith always had a keen appreciation of Mr. Baldwin's personal qualities. He considered him wiser than his followers, which from his point of view was true. Nevertheless he knew he had won the victory, if he could force him to take up Parliamentary tactics. Mr. Baldwin was easy material with which to enthrone the insipid nihilism of moderate opinion above the demand for political reconstruction. The Conservative party and the principles for which it stood were doomed. It had to adopt a different attitude of mind and of outlook and continue the servile tactics of the supporters of the Parliament Act to their logical conclusions. Mr. Asquith has ruled Toryism from his grave.

Mr. Baldwin had been over-persuaded of the necessity for finding the Labour Party a place in the Constitution. The placation of Socialism was thenceforth to be the main consideration of policy; the hope of winning Labour support to the Protectionist cause was definitely abandoned. When the Government moved the Address on January 15th Mr. Asquith supported the Labour amendment and assured the Socialists that there would be no conspiracy to rob them of their opportunity. He knew full well that Whitehall and office would quickly disillusion them and reduce their aspirations, like those of Mr. Baldwin, to the faintest hopes. The Liberal victory would have been gained over Labour also, had the fires of Socialism not been too strong to quench, and had Mr. Ramsay MacDonald not required the opportunity of training a Cabinet for some future occasion. It may not be hazardous to prophesy that in that triumph of Liberal manoeuvre Parliament planned its own constitutional extinction—the National Government compromise was rendered inevitable. The serene dexterity of Mr. Asquith's speech is all that remains of interest.

He cast damning aspersions on Mr. Lloyd George's place in politics and hinted to a public that was readily persuaded that the Coalition leader would not live "to pile another wreckage on the shore." The Conservative Party he pounded where he knew that it was vulnerable. He had bound every leader and every party to the tottering forms of constitutional etiquette.

"It was their election," he said, "not ours. It was they and not we who threw down the challenge. It was they again and not we who invited the judgment of the electorate. They have got it."

Mr. Asquith had set the Lansdowne panic running through the ranks in 1911, now his last blow was to catch the Conservative Party at a squeamish moment and break its nerve. "I am not going," he said with ironic contrast, "to lead my Party through mire and devious ways in the chase for office without power."

In opposition Mr. Baldwin's task was difficult. He was forced to a course that was alien to Tory notions, because it had become a principle always openly to attack an enemy. An association of Toryism with tactics was an illogicality. Nevertheless, a leader who had lost the power to use his Party's programme was in a parlous state. He had to advance diplomatically, because he could not manifest his strength. He formed a "shadow cabinet" and prepared a programme for a recall to office at an early date. At the same time his main objective had to be to keep the Socialists in power. In that insincere position Mr. Baldwin's own followers were his greatest difficulty. Many considered that their leader had been bought by Mr. Asquith, and they clamoured to overthrow the Government. They saw that he had given way to the Liberal mentality, and they had not then the example of Mr. MacDonald's fall from the heroic when he found that office no longer carried power. Those who assisted Mr. Baldwin against the determination of the diehard section, were some of the younger members of the party. They had

brought to politics after the war an unprincipled attitude of mind. They appreciated the tactical game. It was by such assistance that attempts to overthrow the Labour Government were successfully repulsed, although it was perhaps unfortunate that once or twice the leader of the party should have blamed the more principled of his followers for not believing in their cause. He once had occasion to say:—

“Labour men believe in their cause and work for it because they believe in it. If you believe in your cause, work for it. Those who do not believe in it are not wanted in our party.”

Actually it was the malcontents who considered that Mr. Baldwin had betrayed the cause and that was why they slackened their allegiance to the party. Conservatism was a weakened force. The Tory rank and file were hardly reconciled to diplomacy and gestures.

In the autumn the foreign policy of the Government made its stay in office even more unpopular with the impatient elements within the Conservative Party. An attempt was made to overthrow the Socialists on the question of unemployment, but Mr. Asquith saved the situation. It was obviously only a question of time before the timid course of schooling Socialism failed.

The final challenge arose upon the Campbell case, which although the least important of the Government's sins, was soon to prove the most sensational. Here, the Attorney-General had withdrawn a charge against the Editor of the *Worker's Weekly*. It was an official prosecution under the Mutiny Act and accused the Assistant Editor of seducing members of His Majesty's Forces away from their allegiance. The answers of Sir Patrick Hastings, the Attorney-General, in the House of Commons were far from satisfactory, and an acrimonious exchange of letters in *The Times* with the late Lord Birkenhead finally aroused the suspicions,

of the nation. The Conservative motion of censure might have been defeated, but the Liberals moved an amendment demanding that a select committee of the House consisting of two members from each party should investigate the whole affair. The effect of that proposal would have been to allow a majority of four to two to condemn the Labour Government. Mr. MacDonald had only one course he could take. He opposed the Liberal amendment and asked the Crown for a dissolution of Parliament. Mr. Baldwin and Colonel Jackson, who was then Chairman of the Party, considered that the time was ripe to face the country and to seek another term of office. They had the hint in their favour that the late Government preferred an election to an investigation of the Campbell incident, and although such an aspersion of duplicity was probably unfounded, its publicity value was good.

The election which commenced at the beginning of October was characterised by unusual scenes of rowdiness. Appeals came from all parties, but it was apparent that Labour supporters had considered their party ill-used in office and were not confident of being given a second chance. The man in the street had not appreciated the sufferance on which Mr. Baldwin and Mr. Asquith had allowed Socialism power. There was, however, no indication of a smashing Conservative victory until October 25th when the *Daily Mail* launched into the campaign the famous "Red Letter." That doubtful document had the advantage of being published to the Foreign Office and evidence of the Government's belief in its authenticity was furnished by a Foreign Office communication to the Press. Furthermore, there appeared the text of a sharp note on behalf of the Foreign Secretary written to the Soviet representative in London. The letter itself purported to be from Zinovieff, chief of the Executive Committee of the Third International, to one MacManus of the British Communist Party. It was marked very secret, although it contained no secrets at all, and was merely a prolix reiteration of all the common-

places of Communist propaganda. It stated for, example, that the British Communist Party contained very few specialists to direct the operations of the future Red Army. The reply of the Soviet representative might under normal conditions have allayed the suspicions of this puerile effusion. He regretted that the letter should have been published, without his being consulted, especially as it was calculated to prejudice the Anglo-Russian treaties. He assured the Foreign Office that from the title of the signatory and from other evidence he could have proved it to have been a gross forgery. At that precise moment the public were not in a mood to reason, dates were published which showed that Mr. MacDonald had made eulogistic speeches on Russia on several occasions after the receipt of the Red Letter by himself. Before he had proved it false, he had implied his disbelief in its authenticity. The dice were loaded against him and the landslide towards the Conservative Party proceeded apace.

Mr. MacDonald had been in possession of the letter for ten days previous to its date of publication in the Press. He was undoubtedly placed in a dilemma, having negotiated the Anglo-Russian treaty as a party gesture, and having questioned the authenticity of the letter in his capacity as Foreign Secretary. It has been stated that he might have used the letter as a sign of his good faith. It was suggested that he should have taken credit to himself for revealing Russian propaganda, but with the suspicions of the Campbell case still against him, he would have been no better off in the eyes of the public. The 25th of October was a Saturday, a day perfectly timed for the launching of this dramatic coup. The Prime Minister had to make his reply on a Monday which he did in the course of a speech at Cardiff. Over the week-end the uncritical and already aroused public, had the chance to come to any conclusion that best suited its imagination. It was a tactical move that probably no propagandist could have countered. The Socialists convinced themselves that the letter was a

forgery, but this seemed inconclusive when their own Foreign Secretary had already admonished the Soviet representative. Mr. MacDonald cleared himself, and laid the charge for publication on the permanent officials at the Foreign Office. Such an unprecedented action by a Cabinet Minister caused a stir among the guardians of constitutional etiquette, but the miserable nature of the business should have afforded any excuse. The Labour leaders were strong men in those days, untamed by sycophant aristocrats in Tory house-parties. The honest rank and file had good reason to curse the capitalist Press. In office they had been treated like children; out of office they were treated like knaves.

Mr. Baldwin had dexterously played himself back into office which he was ready to accept. The Conservatives had captured 412 out of 615 seats, and were the strongest Party administration since 1906. It must be remembered that all subsequent criticism of the Conservative leadership has been based on the immense power that was supposed to have been acquired at this election. There were some limitations on that power which affected future events. They may be briefly summarised. First, office was achieved on a negative (or anti-Socialist) issue. Secondly, the Conservatives had no unanimity on basic principles when they assumed the vast responsibility of nominal power. Thirdly, the imagination and intellectual capacity in the Cabinet would have to be supplied by men over whom Mr. Baldwin would lose his personal ascendancy as years moved on. These considerations had materially to affect the larger issues of statesmanship, although in the smaller issue of party politics they were unimportant.

So far as the larger issues were concerned, it is worth noting the ignominy of Mr. Baldwin's position. It provides a background for the consideration of his tactics. Having risked his fortunes with unprecedented honesty in 1923, he had returned to a worse position pledged not to introduce the policy which he had formerly believed to be

essential. Furthermore, he was bound to a policy of Fabianism because the nation had come to acquiesce in the Liberal and Socialist policies of his predecessors. The application of these policies by force had killed the principled Conservative opposition of before the War and obliterated the traditions on which that opposition was based. Mr. Baldwin was pledged to adopt the middle class morals of the Liberal Party and most of the hallucinations of Socialist theory. That was the position which those who expected high statesmanship of the Prime Minister can hardly have visualised.

The irony of the election on the tactical plane was the personal triumph of Mr. Baldwin over both external and internal forces. During his term in opposition, there had been a definite movement within the ranks to restore the fallen leaders of the Coalition. Had the plot been successful a "centre" or anti-Socialist party would have emerged. This party of the "centre," would undoubtedly have enjoyed immense power; it would have forestalled the National Government, and could have been trusted to have done all the incalculable harm that the National Government, which is a panic coalition, cannot now achieve. At the time Sir Robert Horne would have been Prime Minister. It has been said that Mr. Winston Churchill and Lord Birkenhead would have held prominent positions and that Mr. Lloyd George might once again have found his way into power. The nature of such an administration as this can be easily imagined. Dignified statesmanship would have disappeared from public life and Mr. Baldwin and the Conservative Party would have retired to the inarticulate seclusion of the provinces. It is difficult now to contemplate a second round of "big" politics on an American scale, and an attempted orgy of economic imperialism. England could not again have survived those too able statesmen who achieved with Coalition money what their unfortunate predecessors had never been able to afford, and who careered into high places to satisfy the Abraham

Lincoln complex of a Welsh Prime Minister. Fortunately for the country Mr. Baldwin emerged victorious. Assisted by the "Red Letter" majority his position was assured. Mr. Winston Churchill was offered and accepted the Chancellorship of the Exchequer, while Lord Birkenhead was sent to the India Office. Five years of steady-going Conservative administration emerged from a period of chaos by means of Asquithian diplomacy.

As a result of all these intrigues and adventures it should have been clear, that although Mr. Baldwin was doomed to fail as a constructive statesman, he had done the country an invaluable momentary service by coming back into power. During those years he was the one statesman who could do no harm to the nation, although he no longer possessed the power for doing good. To criticise him for failing in statesmanship when he was occupied with party politics is perhaps as unfair as to criticise a man's game of chess on his dexterity at draughts. Compelled as Mr. Baldwin was to play the lesser game, he played it skilfully. It was not until the black days of industrial unrest approached that he found himself face to face with any demand for statesmanship.

It said much for Mr. Baldwin personally that he sensed the shallowness of his power before the events of 1926 arrived. He repeatedly asserted that it had not been a party but a national victory over the forces of evil. Here might have been the opportunity for a student of politics to have detected a national Government in name approaching. As a Conservative leader Mr. Baldwin's position had been compromised. Despite the large Conservative majority in the House of Commons, the Socialists had polled five-eighths of their total number of votes, and not even the greatest trick and "ramp" in modern politics had curbed the belief of a large public in what Labour considered to be its legitimate claims. To those claims Mr. Baldwin was forced to show respect. A man who had sacrificed his own faith to satisfy democracy, had always to be inferiorly

adapted to men who had kept their cause untarnished. The only course that remained was a further and more subtle use of tactics. Labour had also to be induced to renounce its faith in the service of the nebulous Asquithian constitution. Mr. Baldwin could never draw level with Socialism until its leaders had been forced to make the same sacrifice as he had made in 1923. This actually occurred in the financial crisis of 1931. In that year the dice became evenly loaded, party politics became reduced to an inevitable harlequinade, and the Labour Prime Minister was forced to come down to level terms with Mr. Baldwin. Subsequent history has been the key to the past. It is impossible now to exaggerate too fully the inferior position that the Conservative Government assumed as a result of its huge majority in 1924. It should be clear therefore that the only justifiable criticism of this administration came from those Conservatives who still clung to Protection, and who never approved of democratic tactics. They, at least, could accuse their leader of coming to destroy a coalition and of having forced himself to return to the same position by unnecessary sacrifices. All other criticism has been unfounded. Having compromised himself into playing the Asquithian game, the Conservative leader has been master of every move and only history can say whether it has been worth the sacrifice of Tory principles.

Following the difficult course after the election it was probably unwise not to have ordered an inquiry into the "Red Letter" affair. It would have shown a fearlessness to reveal if necessary the doubtful means which had led to power. For the sake of the nation an inquiry ought to have been held, as the document which rumour said had been the work of white Russians was worth investigating and worth exposing. Such incidents are a sign of decadence and doom in a political system. Mr. Baldwin unfortunately allowed the opportunity to pass, and so under a double obligation to Labour, devoted his energies to drilling and curtailing the anti-Socialist hostility of his own followers.

During 1925 his task was difficult. Thanks to the staunch fidelity of certain of his colleagues he suppressed vigorously one "revolt" within the Cabinet itself. At that moment he was the strongest man in the Government.

It was perhaps unfortunate that he should have sometimes had to upbraid a follower for being more of a Tory, even if less resourceful, than himself. When the Macquisten Bill came up in March, 1925, for the purpose of preventing the Trade Unions from raising a political levy, he was compelled to take strong action and remind its promoters that the new Government stood for peace. It was a difficult task to combine executive strength when so frequently driven to exercise tactical control. As events turned out the tension was lifted by the crisis in the coal industry. It virtually meant that Mr. Baldwin was relieved from the strain of party leadership until that particular crisis had been overcome. Nevertheless in 1927 he had to face again the same position, with his followers more unruly, his task complicated by events, and the nation groaning with dissatisfaction.

The effect of the Coal Strike on party politics, had been to reveal their helplessness and to increase their futility. When two great parties are divided on a point of principle they may balance one another, but in the special circumstances of 1927 that had not been a desirable state of affairs. Wrong-headed principle was opposed on one side to mere right-minded opportunism on the other. It was too late for creeds and panaceas on a party scale to avert the deepening crisis in industry. In the Coal Strike, Parliament itself had been found wanting. The only course by 1927 was to tone down factional feeling, but with a large party and nearly two and a half more years of office to run such a line was difficult to take. The Conservative Party tended to become more and more anti-Socialist. The rift in opinion which Mr. Baldwin had tried to prevent from opening had become an ominous chasm. If the party continued on a policy of conciliation it would have been

accused of failing to make use of its power; if it assumed an aggressive attitude it might well have expected a more aggressive reply from Labour, which would have proved disastrous to the country. Such was the dilemma. Bye-elections and municipal elections continued to go against the Government. The budget of 1927 found a deficit on the national account ranging from thirty-five to forty millions. This was largely the result of the General Strike, but judged from every angle it was a perplexing state of affairs.

On May 2nd the Attorney-General, then Sir Douglas Hogg, introduced the Trades Disputes Bill to the House of Commons. The Bill as sponsored by the learned Attorney-General produced an uproar. It was supposed to have been vindictive and to have been framed in malice and resentment over the General Strike. The Opposition received his opening speech with wild disorder, which led to perhaps the most notorious of their number being constrained to leave the House. The cold reasoning of the Attorney-General's case may have been provocative, but the utmost powers of conciliation of which the Prime Minister himself was capable were only greeted with shouts of "Liar!" and "Withdraw!" The main provisions of the Bill were simple and fell into four divisions. They were, first, that a General Strike was illegal and that no one should suffer for refusing to take part in it. Secondly, that intimidation was illegal, and that no man should be coerced either to work or not to work. Thirdly, that no contributions to a political fund should be compulsory. And, fourthly, that civil servants owed their undivided allegiance to the State. All these precautions were the natural outcome of the General Strike.

It is difficult to see why a large section of the public should have become sympathetic to Labour, but such was the case. The Act was considered in many quarters as unnecessarily irritating, for stating truisms, which might have been left undeclared. If the Government,

however, had made no attempt to place on the Statute-book the new conceptions of the law as regulating industrial disputes, it would have been to blame. The Government had to take some cognisance of the lessons of the General Strike. It could not again have allowed the law to be tinged with sentiment to suit the tender feelings of the Labour Party. It had been the sentimental aberration of Mr. Campbell-Bannerman which had caused the previously disastrous Act of 1906. Mr. Baldwin stated the case simply when he said: "After the unexpectedly generous Act of 1906, the Trade Unions have failed to shoulder the moral responsibility which their new legal responsibility made their duty." Here was but another illustration of the difficulty with which that seemingly so powerful Government found itself incapable of doing right.

The Bill, as ultimately watered down, found its way to the Statute book, and Labour took a solemn oath to repeal it at the earliest opportunity. It contained in its new form a rather feeble compromise about employers' lock-outs, and a slightly more complicated definition of a General Strike. From a legal point of view the first draft had not been bettered. The important fact was that it brought to a head the difference between Mr. Baldwin and a certain section of his followers. The Government's tactics towards Labour became the point at issue. The tactical game of conciliating Socialism had become almost impossible, if the Government was not to abuse its opportunities. The necessity for taking a strong line increased as time drew on. Sir Douglas Hogg and Lord Birkenhead had shown up in this incident as typical of the men who were prepared to take the war into the enemy's camp, to use their majority and count any costs that might have arisen after the event. That would have been a wise course, if wisely taken. It was no use to advance against Socialism with the attitude that all was right with the world, when Socialism had a burning conviction that all was wrong. The unfortunate thing was that strength was needed but

of an authoritative, dispassionate nature, and not from successful lawyers who seemed to possess very little perspicacity or imagination, and whose attitude rather hinted that brains were the pass to power. Mr. Baldwin knew only too well that the Englishman would not tolerate such an attitude, but he had the strong men in his team and he had no motive power apart from the individuals to urge him forward.

The Prime Minister's plight soon became pitiable. The Government had no programme and no ideas. It had no knowledge of Conservatism, no faith in its own creed, and no hope for the future. Nevertheless it continued to move on the strictly unprovocative course. The once homogeneous Conservative Party could have been split up at that moment into three distinct sections. Mr. Bridgeman (now Lord Bridgeman) represented a section that would have spun out the years in gentlemanly inaction until the nation had cried with anguish; Lord Birkenhead could have formed a group which might have gripped the country in the vice of strong government pending an ultimate and certain Marxist Revolution; for the third part there were men like Mr. Neville Chamberlain, who without the statesmanlike capacity for long range policy, could make brilliant adjustments of detail, but for which, as events showed, the Government would get little credit. Such was the position of a party which up to the War had burned to apply its principles and now found itself in a position where no principles could be applied.

An actual attempt to unseat Mr. Baldwin which was threatened at this moment came to nothing. The loyalty of certain members of the Cabinet enabled him to keep the leadership unchanged. It was fortunate for the country that the doomed Government managed to carry on; if it had not crashed changing horses it might well have become mischievous under a fresh power. Once again Mr. Baldwin probably rendered the country a great service by diplomatically keeping his position. He had no spiritual successor and only when the day arrives, and he is *de facto* superseded

will England realise what it has not been disposed to see since 1927. A new face will undoubtedly smirk through the Union Jack but no Tory of principle will again serve its behests. Those days showed that there was no more Toryism left in Parliament to create a Tory leader; Mr. Baldwin was not an ogre, but a portent. It is here worth the prophecy to state that Toryism will never play with democracy again.

It was at the close of June still during these fated years, that proof of the decay of all those principles which create a party was given. On June 20th Lord Cave's Bill for reforming the House of Lords was introduced into their Lordships' House; before the commencement of July the project had been definitely abandoned. The blow shook the Government from top to bottom. It was too much to expect the Conservative leaders to remember the words of warning from those who in 1911 prophesied a certain doom for parties that sacrificed their basic principles. The late Lord Halsbury and the late Lord Willoughby de Broke were hardly tyros in the art of statesmanship; either of them assuredly knew more about the House of Lords than any hundred members of that tragic Red Letter administration grouped together. Their words will always remain a dogma in English politics "that the House of Lords can be abolished it can never be reformed." The growth of the House of Lords has been organic and no organised creation can ever take its place.

It was to the great credit of Lord Cave's Bill that in effect it was not a measure to reform the House of Lords. In the diplomatic disguise of those times it professed to be what the public would consider to be most palatable. Actually the Bill bid fair to repeal the Parliament Act without stating so in words. Of the existing number of peers 350 were to be chosen largely by their confederates, leaving the House more professional in appearance and less hampered by superfluous and ridiculous numbers. A joint Standing Committee was to be formed of members

of each House in order to relieve the Speaker of his duty of designating a Money Bill. There were distinct advantages to be derived from this procedure, as opposed to the procedure of Mr. Asquith's Act of 1911. Furthermore over matters affecting the House of Lords, as a part of the Constitution, the old power of veto was to be restored. These suggestions, which made a very vital thrust at the disastrous worship of the elective principle, were doomed to fail for many reasons. The chief was the shameful lack of any purpose or unanimity within the Conservative Party. In an attempt to vindicate one principle the Party had sacrificed so many that it was impotent.

If party leadership has any relation to a capacity to control a group of men, here was a sickening revelation. In the first place the attack was launched at an unpropitious moment. It gave the impression that the Government was doing something, because something was expected. The truculent support of the late Lord Birkenhead, who intimated that the measure would be forced through in the lifetime of the existing Parliament, hardly improved the situation. He had used the occasion of his speech in the House of Lords for the most amusing and incisive of his regular attacks on the unfortunate Lord Parmoor. It created the impression that the most important parade of political principle since the War was a mere debating point.

More damning than the cavalier attitude was the display of lack of principle within the ranks. The latent Whiggery among the younger men came rising to the surface. Mr. Duff Cooper seized the opportunity to remind his leaders that it was "no academic" discussion and "that a House of Lords had to be efficient as well as popular." Such casuistry required no comment. Such criteria marked in any case the end of statesmanship and should have exemplified the reason why party politics were doomed to fail. Only by accepting the principle of the political "trimmer" to have no principle, could such remarks be pardoned. In

this case it implied a grave weakness in what was supposed to be a serious attempt by a powerful Government to save the Constitution from itself. Deeper however than this went the more certain features of decline. Beyond the intellectual insubordination were stronger indications of the party's weakness. The timid heads of the party machine were afraid of House of Lords Reform. There was an element within the Government that never gave the measure its whole-hearted blessing, and not even the electorate could be too dense to fail to realise that displays of indecision were an omen.

It is hard to call to memory the crumpled Government that dragged itself towards the Summer of 1929. The wracked corpse of political sense and principle was a heavy burden. The young Conservatives combined to flaunt their party with unworthy indiscretions. A leader who had abandoned half of his party's programme could not upbraid their spurious breadth of mind. The men of principle could barely face the ignominy of the House of Lords defeat, their confidence was shattered by the ignorant howlings of the Press. They were pilloried by public opinion, because Mr. Baldwin wobbled between strength and weakness. Furthermore, a leader who had sacrificed the greatest majority that ever ruled the nation, could scarcely resteel the metal of his followers or give them hope. The Government had sold itself, as was inevitable, to the fiction of the *Democratic Idea*. The Trades Dispute Act and Lord Cave's Bill were of no importance intrinsically, it was the trial of principle that counted. They were the proofs of the Government's servility. They are important to-day because Mr. Baldwin, the slave, is being criticised as if he had been the master. The public will not realise that if the Government had occupied the whole 615 seats its leader could have done no better; he had already done the best.

When faith and principle are lost, emotion gives way to sentiment. This was the psychological change that had

overcome the Conservative administration. When analysed subjectively, the situation shows why every Government must fail until democracy is superseded. Here a powerful Government, having no motive force within itself with which to hold its public, gave way to sentimental urges from without. Having no appeal, it fell to making demonstrations of its own good faith. Nothing had been flatter nor more futile than the Arcos raid. It was necessary, but need never have become a platform scare. The whole Russian business had been piteous and a further sign of weakness. It was an appeal to people's sentiment to fear the "Reds," whereas the Socialists appealed to people's intellects to remove the old regime. Their attitude was nobler and more satisfying. Inevitably public opinion must drag a Government to an inferno of its own sentiments, when it has no force left to mould public opinion.

In the last half year weakness became more manifest. The Government talked of what it was, to apologise for what it had not done. It stood upon the virtues of its own morality like a jilted lover. Its almost final gain was someone else's loss. Even Mr. Baldwin was trumped forth as its highest card; when the Liberal fund was being scowled at and condemned. It was now some years since the nation had grown tired of hearing Aristides called "the Just," but once again he took his title as in contrast to the cunning wizard from beyond the Marches. Against Mr. Lloyd George, Mr. Baldwin made a deft appeal to steady-going decency and honesty of purpose. The humbug that the weak are forced to is a sickening thought. Nevertheless with all complacency the Tory propagandists hailed their chief and never seemed to realise that their appeal to middle class approval was a crowning sign of failure. The fact of thinking right became an offset to inaction. Its morals were the Cabinet's last asset; its last virtues, other people's vices.

The only respite that Mr. Baldwin had was on the Prayer Book controversy. It must be mentioned for its deep significance. That wonderful display of inconsistency of

thought showed up the essential meanness of the times. The authoritarians of Government became the rebels of religion, and men with neither unity of thought nor purpose, sought with nineteenth century ardour to express opinions on the works of men who faced the stake. The high quality of the debate was perhaps its greatest vice. Mr. Baldwin made a speech in favour of the measure. He believed that if the Church were not entrusted with its own decisions, the chaos of disestablishment might some day hardly be averted. This wisdom may be yet a timely warning. The interest of the Premier's speech was the thread of puritan thought that followed through his Tory reasoning. His desire was to save the Church not for the sake of principle, but from a conflict. He said by way of introduction: "I regret that religious controversies always tear away the noblest parts of man." That surely is their virtue. What was wrong with the world then, and is still wrong to-day, is the sentiment that fears to prune "the noblest parts of man" and keeps all nascent heroism stifled in the root. The sentiment is the result of the War, but portrays a faulty sense of values, which should hardly be reiterated. Mr. Baldwin's thought is always actuated by this fear of conflict. It was fear of conflict that dragged that miserable administration to its doom. In that respect the Tory leader does not seem to be a Tory. On a point of principle a Tory must urge conflict, it is the only safeguard known to politics to keep the strong man at the top. The Prayer Book debate illumined many a hidden personality and many a secret thought. When the measure was dropped after an open revelation of individualist opinion and puritanical arrogance, it showed the restricted mentality of Parliament. It showed up the democratic values of the modern expert when he turned to metaphysics. It was an everyman-ish (*menschlich*) business in the truest Nietzschean sense, and by the standards prevalent, the leaders must be judged.

Most unwise actions culminate in a final act of folly, and most consistent courses of apology lead to a final

self-denial. The suicide of the Red Letter Government was no exception. The logical conclusion of its self-debasing progress came with the extension of women's suffrage. The inner story, as to who were the Conservative leaders' advisers on this measure, may some day be known; it will be a point of interest if of no importance. It seems difficult to believe that in the circumstances any Government could have been so clumsy in its casuistry. Apart from the feminine desire for citizenship, the niggling wish to make democracy symmetrical, or the tactical bid for votes, the Conservative Party will always be taunted with its complacent excuse: "If we had not done it, the other person would." Here indeed was the one case for leaving the task to that other person; here was a grocer's philosophy summed up in a sentence. It was the lack of dignity that was tragic. Had the House of Lords thrown the measure out they would have restored themselves beyond reform in the eyes of the public.

If this was the natural end of the course to which Mr. Baldwin had committed himself, much criticism of him is explained. He had pledged himself to the Liberal notion of the Constitution as a routine in which all powerful feeling could be artfully suppressed. He perhaps forgot that Mr. Asquith could adopt the course without a loss of faith. It was the Liberal leader's normal way of life. A Tory in the same position had to create a farce. It must be remembered that Mr. Baldwin had used the Asquithian tactics and the illusory conception of the Constitution in order to tame the wild men of the Labour Party. That was his diplomatic move, and to his credit he had succeeded. The subtlety must be allowed him personally, but it does not detract from the farce.

As a statesman he must be judged by the criteria of statesmanship. With the Flapper Vote he had become the joke of his own tactics. The enigma was that a disciple of Mr. Joseph Chamberlain who in 1923 had heeded no advice should six years later have sunk to such an ebb.

The squire was at a stroke the most diabolical of demagogues. The *reductio ad absurdum* was completed. "We have got," he said, "to show the world that democracy will work and that it can govern an Empire." This grotesque commitment to the most insane and inefficient form of Government must be judged in years to come. An organised system of compromise and mediocrity will always be avenged. Democracy had already made the best of Englishmen perform unwittingly the antics of a flunkey.

The lesson of these days was clear. Mr. Baldwin, forced on a mode of life, had not the temperament to stay the journey. His sense of right and wrong, his character and feelings were bound to militate against the calling of a present day Prime Minister. The man who sits to-day at the Privy Council is a happier person. He is a man of conscience, whereas only a man who is master of his conscience can keep the grand manner in the low game. The Lloyd George can play the demagogue and not lose power; the Asquith can debase himself because he is intellectual master of the whole philosophy of self-debasement. To that type cringing to democracy is an affirmative and intellectual act, to the Tory leader it was negative and sentimental. The plain honest man will win respect, he is bound to lose himself amidst a world of charlatans. Mr. Baldwin must have felt the humbug when he said in 1929, "I am leader of a united party." It was united since for five years its leader had not expressed an opinion on political principle, and every individual member held his own. That mentally undisciplined horde would not have obeyed an order on a point of principle; its unity would have quickly disappeared in argument.

It seems clear that if a man wants to be simple he must be strong; only the strong man can be simple. A subtle personality can play at party politics and a powerful personality can lead a party. A man who would take a simple line must be a moulder and not a slave of public opinion. Circumstances are the bar to honest courses and only great

men have circumstances as they wish them. If the public wants to criticise Mr. Baldwin's leadership the scope of its criticism should be clear. It must remember that no strong man would have taken on the task he did after the defeat of 1923. The position has been the same with his upbraided nominee Lord Irwin. It is not fair to criticise too widely. It is only just to remember that a great leader would not have taken office on either occasion. In each case there was a sacrifice; a sentimental sense of duty that can circumspectly be admired, though strictly speaking to outbid one's own capacity is wrong. Mr. Baldwin thought he had a duty to attempt conciliation. In the same spirit Lord Irwin answered the Conservative leader's call to an impossible position in another sphere. Those who have enjoyed the quiet which compromise always affords have reason to be grateful, for worse is sure to come. Nevertheless these men must stand by their own decisions and the question remains whether their sacrifices have been worth the postponement of the issues. There will always be a generation to congratulate Mr. Baldwin. A century that cannot fail to see a revolution in its values will be grateful to a leader who overcame it twice in a period of unparalleled enervation. He stands condemned by every principle of statesmanship, but he has the excuse of expediency at a time when public life was shorn of leaders fit to weather crises.

With a coalition Government in power the late Prime Minister cuts less of a sorry figure. He has the satisfaction as a party leader of having brought the Socialists to a similar compromise. It was a powerful Mr. Ramsay MacDonald who in 1929 swept the polls with the cant of peace and answered the Liberals, that "if any one can cure unemployment in twelve months, Labour can." To-day an overtired and passé actor struts before the fading limelights. Within two years he is even more the "flunkey" than his predecessor. He, too, has been sold to the Asquithian fiction of the *democratic idea*. Mr. Baldwin's rule of compromise at least has shattered his opponents.

It is something of a triumph for a party leader to have burlesqued and mutilated the entire game of party politics.

Outside tactics there is one important word that must be said of the Conservative leadership. Mr. Baldwin's lack of patronage, his failure to know and to create men cannot easily be condoned. The reason why parties, systems and talents have faded in the present age has been the absence of this highest quality. It is because of democratic Government that this virtue of aristocracy has been lost. Education is supposed to be a substitute, but it at best aspires to raise the whole dull level of existing mediocrity. Politics, like every other art, is only to be learned from the long apprenticeship; the master without an apprentice must be a very uninspiring worker at his craft.

In this respect Mr. Asquith rose to the heights of party leadership. He knew that power lay in neither votes nor office, but the personalities that could be entrusted to support the Liberal Party. After he was dead, when Toryism was defunct and Socialism had become insane, his protégés were almost the only intellects remaining in the world of politics. They were found in the positions of public life, even after Mr. Lloyd George had smashed their party. To-day they mould public (or what is better known as "moderate") opinion as if their leader was still alive to write his letters to *The Times*. Mr. Asquith's strength was his great appreciation of the powers of the human element. He was an aristocrat in all but intellect. It is an anomaly that the so-called aristocratic party should have scarcely patronised a single talent; it even failed for years to cultivate Disraeli. It has missed two opportunities this century, and Mr. Baldwin has continued the tradition, by preferring character to brains, and failing to appreciate that they could be united.

There is a story that the Conservative leader once saw a certain member in the House of Commons and had to be informed of his identity. The day before he had appointed him to be his Solicitor-General. One provincial leader who

carried an industrial centre for the National Government had had no conversation with his leader when the first two sessions had already passed. There are many illustrations of this lack of interest in men as potential elements of power. They are themselves the gravest limitations on the powers of leadership. Mr. Baldwin is supposed to be lazy. These oversights are not produced by laziness. What the modern mind accounts as Mr. Baldwin's laziness is indeed his virtue. It is the sane belief that a Prime Minister should have time to read and exercise his co-ordinating capacity without indulging in the details of routine. The world wants the leader who has time to meditate, it wants the Disraeli who will write his novel while in office; it is Mr. MacDonald hurtling about like a "super-clerk" that is so intensely distasteful. The fault of the Conservative leadership has not been want of effort. It has been this inability to see that men are all that count in politics. In short, it is the modern respect for processes which has set the natural leader in revolt. Man made routine and the higher creature will not stop to serve it.

The necessity for patronage in politics, the necessity for creating followers and attracting intellects is obvious. Mr. Baldwin is perhaps oblivious of his failings as a party leader, but he is not unaware of his own necessities. He has said within a year at the dinner of the Royal College of Physicians :—

"There is one great difference between the work of a politician like myself and the work of a physician. The medical profession has a body of science at its back as its final court of appeal with a pharmacopoeia regularly revised and brought up-to-date and recognised internationally; I envy the physician, because, I am dealing with such things as economics, the monetary standards and international exchange. The politician has no body of science to go to; he has no pharmacopoeia."

This is a true lament of Mr. Baldwin's career, but there,

can be found a body of political science, also a political pharmacopoeia. It is true that there is to-day only a science of politics based on democratic values, but it is not just for the Conservative leader to complain. It has been for him to cultivate his own council of appeal and to surround himself with his own advisers. He has never done so. It is too late in 1932 to realise that there can be no permanent political action without an intellectual body to advise. The Sugers and Lanfrancs have always been the architects of politics but beyond the Laskis and the Coles of his opponents there have been no checks to Mr. Baldwin's compromise. He has neglected the nurture of thought, which no man of culture should have done. He has refused to cultivate advisers and has paid the price.

In conclusion, Mr. Baldwin's part as a party leader can be recapitulated simply. After the compromise of 1923 he was forced to play at party tactics. He was too honest for the course and so began the disastrous process of playing down. In five years he abandoned every principle of Toryism and ended his career in the great farce of extended woman's suffrage. He has since regained his prestige because force of circumstance has brought the Labour leaders to an even lower ebb of compromise. In his favour it can be said that he has sacrificed his own higher feelings because he thought it was his duty. He has the negative achievement of two certain revolutions, miraculously averted. His positive record of statesmanship has been perforce as barren as the system of government he has served.

There is a paragraph that Lord Acton once wrote of Lord Liverpool that almost refutes the suggestion that analogies are bad parallels. It summarises the fallen state of modern statesmanship:—

“Lord Liverpool governed England in the greatest crisis of the War, and for twelve troubled years of peace, chosen not by the nation, but by the owners of the land. The English gentry were well content with an order of things

by which for a century and a quarter they had enjoyed so much prosperity and power. Desiring no change they wished for no ideas. They sympathised with the complacent respectability of Lord Liverpool's character, and knew how to value the safe sterility of his mind. He distanced statesmen like Grenville, Wellesley and Canning, not in spite of his inferiority but by reason of it. His mediocrity was his merit. The secret of his policy was that he had none. For six years his administration outdid the Holy Alliance. For five years it led the Liberal movement throughout the world. The Prime Minister hardly knew the difference. It was he who forced Canning on the King. In the same spirit he wished his Government to include men who were in favour of Catholic aims and men who were opposed to them. His career exemplifies not the accidental combination, but the natural affinity between the love of Conservatism and the fear of ideas."

To apply Lord Acton's acute irony written on another statesman is perhaps a little cruel. It can be conceded that after wars tired nations accept non-committal policies and even appreciate them. They indeed can have their places. On the other hand, Mr. Baldwin has certainly been the nominee of the dividend-receiving middle classes. They like the landed gentry after the Napoleonic Wars have also feared ideas. Mr. Baldwin has outdistanced statesmen like Lord Curzon, Lord Birkenhead and Mr. Winston Churchill, in a manner similar to the retention of office by Lord Liverpool. The struggle with international Socialism can be compared to the former statesman's struggle with the Holy Alliance. It was an inevitable result of Mr. Baldwin's tactics, even if there was a mistake in execution, which thrust Mr. MacDonald on the King. The Conservative administrations have included men with League of Nations ideas and those who have been opposed to them. For the rest, *res ipsa loquitur*.

## CHAPTER IX

### LORD BEAVERBROOK

THE last phase of Mr. Baldwin's active leadership was perhaps the most sensational. In his struggle with the Press he passed through the most embarrassing situations to emerge victorious. Once when it seemed that he had lost his last grip on circumstance, he regained his balance and his mastery. Throughout the unedifying tussle the reflection was again upon contemporary politics rather than upon the personality of the Conservative leader. The more petty became the combat, the more ridiculous became the combatants, but it was the combination of Parliamentary impotence and growing desperation that began the tussle.

The Baldwin-Beaverbrook controversy with all its subsidiary issues brought much to light. It revealed the degeneracy of public taste exploited by a materialistic Press. The asphyxiating values of Northcliffe journalism had taken toll of English character and judgment. It showed that modern parliamentary government was as incompetent to provide for an Empire, as the old forms of the Roman Republic were to control the possessions of an imperial people. It exemplified the incorrigible selfishness of the electorate when the Tariff issue came to the forefront. The people's inability to contemplate the future became again conspicuous, when the price of the loaf upon the breakfast table was to be affected. Above all, it showed how the imperial ideal had lost its meaning of reality. People were able to ponder dreams of empire, who could

not realise the painful helplessness of their own institutions to help themselves. Mr. Baldwin was soon to be the scape-goat for every consequence of forced stagnation, and the only relieving feature was the fact that Lord Beaverbrook struck a chord of enthusiasm in a public besotted with self-pity and barren of ideas. The whole burlesque relieved the tension of the tedious days of the second Socialist Administration. It was a light curtain-raiser to the greater tragedy of the financial crisis.

So far as Mr. Baldwin was the central figure his record should not be forgotten. When he was accused of stagnation it should have been remembered that he was a man of action until he lost his sole objective in 1923. When he was baffled by the state of affairs, it ought to have been conceded that at least he understood the Tariff question. The most consistent record in public life had been his service in the cause of Empire Trade. He had fought the whole issue at different times; taxation of foodstuffs, safeguarding and subsidization. From boyhood he had demanded proper treatment for the home producer. His utterances before the war expressed the same sentiments as those in 1930. If he was to be criticised it ought to have been by the general criteria of his record as a party leader applied in the particular instance. He had never done, had never been able to do, and no Prime Minister ever will do anything to cement the Empire economically, so long as he represents mere urban and commercial opinion. That was the excuse in 1930.

The main interest of the conflict was Lord Beaverbrook's attack. He certainly had the widespread consciousness of the Government's inaction to support him. His brilliance was shown by making the demand for "food taxes" the basis of his popular appeal. He scored off Mr. Baldwin by demonstrating that the British public preferred to be attacked rather than pandered to; and he showed the Conservative Party that orders should be given to an electorate and not favours asked. His service to the fallen

state of demagoguery was at least marked and timely. That the great leader must dominate his public, just as the lover dominates his mistress, or the horseman his mount, was a platitude that after five years' Conservative administration needed to be reiterated. Lord Beaverbrook knew what the public would stand from a sincere appeal, he knew that the English would always make a general sacrifice. History had shown that the people could be conscripted, or forced to suffer any regulation, provided that no section of the community remained exempt. It was the old idea of equality before the law. That common desire to possess and suffer the common rights and duties of citizenship has remained as a form of effective obedience notwithstanding the nature of the government. The attack on public opinion was necessary and most Conservatives supported the initial entry of the Press, while some sympathised with Lord Beaverbrook until the end.

The drama of the conflict was the clash of personalities. Affection for Mr. Bonar Law had been the bond between the Conservative leader and Lord Beaverbrook. They had come together from a common friendship, were enrolled together in a common cause, and yet were destined by temperament always to remain at variance. That Lord Beaverbrook should have been the person who would first object to Mr. Baldwin's leadership was almost natural. Lord Beaverbrook was the staunchest of Conservatives in the confined Protectionist and economic sense, which had characterised the party since 1900. Although he did not understand the political significance, the idea of a government which had sold its power to serve the behest of a political system was repugnant to him. His non-conformist conscience could not tolerate the renunciation of a faith. All the subtler nuances even of Mr. Baldwin's game were lost on a man who had forged his way from obscurity to fame by concentration on a single object. Unity of purpose was the basis of Toryism, it was the basis of Lord Beaverbrook's own success, it had been the

basis of Mr. Bonar Law's accession to power and yet it was this one essential virtue which Mr. Baldwin had removed from public life. That Lord Beaverbrook's purpose was purely materialistic, that economic imperialism alone was not desirable in itself, and that Mr. Bonar Law would almost certainly have been forced to abandon the same objective were hardly considerations in the despair of the Conservative Party's sudden fall from power. The old-fashioned Conservative weighed the fall dispassionately and with a shrug of the shoulder. Lord Beaverbrook measured it materially, fired by sentiment and the realisation of opportunities lost. The thought of Mr. Baldwin standing aside complacently ineffective, yet thinking deeply, was the direst provocation to a man of impulse.

It was Mr. Baldwin's seeming lassitude which urged Lord Beaverbrook into his most virulent and unprovoked attacks. The remorse that punctuated each estrangement was often his consciousness of sudden fury. Lord Beaverbrook's warm and affectionate qualities were always dominated by a faith in the Empire, which he felt compelled to vindicate. The call of a higher voice drove him again and again to abuse the Conservative leader often against his inclinations. It was a form of puritanism, and Lord Beaverbrook is a puritan of an interesting type. He belongs to the ruthless materialistic school which has aspired to rule the world from Oliver Cromwell's day to that of Henry Ford. They are the men to whose tasteless exploitation is owed the material advancement so often considered in uncultured ages as a sign of progress. Psychologically they are characters that have not been equal to their deeds and their religious fervour has been remorse at their own creations.

With Lord Beaverbrook this puritan mentality vulgarised the Empire Crusade with a tiresome sentimental fervour and impelled him again and again to attack Mr. Baldwin's misuse of power. His opinion of the Conservative leader was not low, but Mr. Baldwin's highest card was his char-

acter. There is a species of puritan reasoning that despises character when sufficient deeds have not been done to test it; such reasoning would count Mr. Baldwin as a phlegmatic unexploited personality. To a man who measured wordly success and counted material gain the highest honour, Mr. Baldwin was a failure. Unfortunately the Conservative leader had no reply, he had never shown a capacity, beyond the desire, to make cultural gain a higher virtue.

The first phase in the controversy arose over the Referendum, and Mr. Baldwin showed himself at a distinct disadvantage. His indecision was almost as outstanding as when he wavered over taking office after the defeat of 1923. For Lord Beaverbrook to suggest the Referendum was one matter, because he was not expected as a man of business to entertain any scruples on a point of political principle; for Mr. Baldwin to accept it was another. Most of the greater statesmen of the past would have shuddered at the suggestion. Having stooped to entertain such an egregious folly, the majority of people, and at least Lord Beaverbrook, thought the Conservative leader must be serious. They presumed that he meant to pursue the Food Tax issue, armed with the Referendum, but that was not the case. Mr. Baldwin wanted time to play a deeper game, and he wanted to prevent himself from being stampeded into the Food Tax controversy without the chance of stepping back. He said on March 4th, 1930, that if returned to power he would summon an Imperial Conference and then appeal to the people with a Referendum. That he considered was a sufficient promise to shelve the matter. Lord Beaverbrook on his part was satisfied because he thought the Conservative leader intended at least to force the issue. When a short time later the Central Office circulated a pamphlet, with the words, "if and when the Dominions ask us," as a condition precedent, it was clear to all that the Conservative Party was not going to take the initiative, and that they were safeguarding their

position by expecting the Dominions to take the first step. Lord Beaverbrook had always maintained that the onus of demonstrating confidence in the cause of Empire trade, fell upon the Mother country. The question of how wise Mr. Baldwin had been never arose; his safeguard of his personal position appeared despicably unheroic. Lord Beaverbrook had veritably caught him at a moment of undignified indecision.

It was quite clear that the Empire Crusade could force the leader of the Conservative party into the tightest corner. It was forcing him to declare himself, and so to prejudice his chances with the electorate. It was another proof that only a very strong man could play the party game. If Mr. Baldwin had been compelled to take up Lord Beaverbrook's programme he must have launched the entire party on to the discretion of the public. He had been once defeated on the issue and in 1930 there was much more to fear from Socialism than in 1923. If, on the other hand, he continued on the half-way course he remained in a perilous position from criticism from his own following. That was the dilemma of the Tory leadership.

In those days the prestige of the Conservative Party was perhaps at its lowest ebb. The whole organisation seemed to have suffered from the unfruitful five years of office until 1929. Mr. J. C. C. Davidson, the friend to whom the leader of the party owed much in his political career, was Chairman of the Party. He was so conspicuously one of the "old gang" that the Press were not slow to pick him out as an object of attack. There was little fault in Mr. Davidson personally except the rather uninspiring nature of his ability. He had few recommendations to high office, and had worked his way up Whitehall in secretarial positions without having displayed much political imagination or obvious personality. No sane person wanted to create a party on Lord Beaverbrook's standards of Press efficiency, but the Conservative Party and its chairman certainly stood in sufficient contrast to encourage abuse. It was not that the Central Office

deserved abuse, but that it had no power with which to justify itself. The contrast between ineffectual gentility and undignified efficiency was well typified by the criticisms which the Conservative Central Office received from the headquarters of the penny Press.

On May 7th came the first of the bye-elections through which medium the Press controversy was to be conducted. After a hectic Press campaign the Labour seat of West Fulham was regained by a bare majority. Lord Beaverbrook claimed the victory for the cause of Empire Trade. The party believed that his presence had been a hindrance, and had driven many Liberals to Socialism through the fear of tariffs. The issue remained in dispute. At Nottingham, where Lord Beaverbrook did not intervene the Conservatives certainly won a handsome victory for the cause of Safeguarding. These elections showed by implication that Mr. Baldwin would have rather won the Liberals over by persuasion than have chanced the clarion call to the nobler cause. His tactics were definitely to appease rather than to appeal. In the meanwhile he made a wise change at the Central Office. He came to a decision with Mr. Neville Chamberlain that the latter should become Chairman of the Party. It required a sacrifice to take over that onerous and thankless task in those days, but certainly Mr. Chamberlain was the one Conservative for whom all sides entertained respect. Even Lord Beaverbrook was not slow to recognise the one person who had performed a practical service with his de-Rating Act in the 1924 Government. Mr. Baldwin frustrated further criticism by a single move.

It was on June 23rd that Mr. Chamberlain's appointment was announced. On June 24th Mr. Baldwin had to face a party meeting at the Caxton Hall. His attitude towards the controversy must be understood, if the difficulty of his position is to be realised. Although with Lord Beaverbrook he had no direct quarrel, to Lord Rothermere and his methods he was definitely opposed. The Conservative leader's last stand-by was his *amour propre*. He had created

something of a reputation as the champion of political rectitude. The man who had broken the Coalition had at least to show himself master of the Press. The fact that Lord Beaverbrook saw him daily moving nearer towards another coalition was a matter aside. Mr. Baldwin had in self-defence to call the whole force of the Constitution to his aid if he was to resist for long any criticism of his leadership of the Party. Apart from what he thought of Lord Beaverbrook, he was placed in a position where he had to think about himself. There was no doubt that for the while he held the position in his hands.

All decent opinion resented the incursion into politics of the Press. Nevertheless so long as Lord Beaverbrook stuck out for, and demonstrated in bye-elections the cause of Protection, the person who had been forced to betray that cause was in a difficult position. It was Lord Rothermere's clumsy and arrogant interference with affairs that enabled Mr. Baldwin to play out his tactics to the very end. For the moment the Conservative leader's very self-righteousness could have been accounted as an omen of his weakness.

The meeting of candidates and members was a landmark in the controversy. It had the same rather ignoble and dejected atmosphere that those meetings of the Conservative Party were wont to have. Whether it is in the jungle or in the council chamber there is always something depressing when the overlord fights for the loyalty of his followers. Mr. Baldwin has never possessed that domination which beatifies a meeting with its strength. He began by apologising for the Referendum. "It is a piece of machinery," he said, "not a principle." Now that was not convincing. If the referendum was anything, it was the ultimate and most disastrous principle of democracy realised. It was a demand for the meanest opinion upon the most important crisis. The supporters of the Conservative Party, however, were beyond entertaining such a consideration at that period. Mr. Baldwin had only to convince the Party that his feet were on firm ground. He said:—

"The challenge has been issued to us. We are told the gloves are off. If so we shall see who has got dirty hands. I accept the challenge and call the bluff."

A vote of confidence was passed and Colonel Gretton's amendment to drop the Referendum was defeated. Nevertheless there was something rather decrepit in Mr. Baldwin's heroics; it was an old stag belling the challenge. He knew there were none to answer out of the mist.

The point of interest at this meeting was the letter which the leader of the Party read from Lord Rothermere. It was written to Mr. P. J. Hannon who as a Member of Parliament had appealed to that noble lord to support the Conservative leader: It read:

"My dear Hannon,—I have received a report of your speech here. I cannot make it too abundantly clear that under no circumstances whatsoever will I support Mr. Baldwin (and let me beg of you for 'Mr. Baldwin' to read the name of any other person who may be leading this party) unless I know exactly what his policy is going to be; unless I have complete guarantees that such policy will be carried out if this party achieves office, and unless I am acquainted with the names of at least eight or ten of his most prominent colleagues in the next Ministry.

"Unless I am completely satisfied on these points, no appeals will be listened to from any quarter.

"I much prefer a Labour-Liberal Government to a Ministry of the indolence and ignorance of the semi-Socialist Government we had from 1924-1929.

"I do not like food taxes.

"There is nothing private about this letter and I have no objection to its publication in any form.

"Yours faithfully,

"ROTHERMERE."

Mr. Baldwin's position was safe. A letter such as that would have kept anybody in the leadership of a party whatever aspersions could have been cast upon his competence.

It created the very position that was necessary for the policy of the Conservative leader. It enthroned him above the legitimate Protectionist attack. It obliterated the indecisiveness of the "Referendum" suggestion. The entire nation was ready on the morning of June 25th, to reiterate Mr. Baldwin's statement "That a more preposterous and insolent demand was never made on the leader of any political party."

It was in vain that Lord Rothermere insisted that the public ought to know who they were to expect in the Cabinet. The analogy of a Board of Directors was not convincing, especially when it had the support of Lord Melchett. Actually if Mr. Baldwin had published any of his Ministries in advance they would not have made an attractive "platform." Lord Rothermere's proposition, however, had to be taken generally, and not in the particular instance. Apart from the presumption of the Press in expressing political opinions, the noble lord had definitely implied the demand, so often half-expressed, for a Government of business men. How the false idea arose with such vigour at that moment seems obvious. Statesmen had failed, and most egregiously Mr. Baldwin, for want of any purpose beyond keeping the present state of affairs in existence. Business men have never had that difficulty; their purpose, which is material acquisition, has always been clearly defined. The logic of the comparison is not convincing, since if a statesman accepted this postulate of a business man, he would create more revolutions than he has to fear even to-day, and, if he abandoned the postulate, he would lose his purpose and have joined the Conservative leader within a few months. It was just an instance of Lord Rothermere's ignorance outside his own affairs, and his utter contempt for the art of statesmanship. If a law-student were able to find himself conducting an intricate case in the Court of Appeal he would be diffident, not so a Press magnate advising on a point of high policy. Mr. Baldwin was in a very strong position castigating Lord Rothermere.

The ubiquitous Lord Beaverbrook broke the lull by appearing in North Norfolk. He hurled himself into the bye-election and entirely eclipsed the official Conservative candidate, whom he was professing to support. He bid for the support of the agricultural voters and carried on a violent campaign with Lady Noel-Buxton on the subject of Free imports and Empire Trade. Lady Buxton in her turn addressed all her replies to Lord Beaverbrook. There was no doubt that the startling invasion had awakened the electorate and when, with the full weight of her local prestige, Lady Noel-Buxton only held the seat by 179 votes, Lord Beaverbrook lapsed into another triumphant silence. That he could continue to be a thorn in the flesh of the Conservative Party was obvious. When he was not the slave of his newspaper public the proprietor of the *Daily Express* was a man possessed of shrewd political judgment.

In the ensuing bye-election at Bromley Lord Beaverbrook was only conspicuous by his lukewarm support. The nominee of Lord Rothermere's United Empire Party was defeated by the official Conservative candidate. The vulgarity of the Press attack was largely responsible for the result. The inhabitants of Bromley greatly resented the appearance of the aviator Miss Amy Johnson, and considered it was in the nature of a stunt. Even to-day there comes a limit to the English people's toleration of American values. It was that which broke the Press campaign in 1930, and gave Mr. Baldwin the reward for his better understanding of the psychology of his own people.

As the month of September drew on, there were again signs of disloyalty among members of the Conservative Party. Although Lord Rothermere's attack was doomed to fail, Lord Beaverbrook's tactics were tending to exaggerate the ignominy of the Conservative leader's position. The first criticism came in the nature of a long correspondence in the correspondence columns of *The Times*. On October 2nd a letter appeared from Sir Martin (now Lord) Conway, comparing the position of Mr. Baldwin's followers to

"hungry sheep," who had never been fed by their shepherd. It was a fortunate onslaught from Mr. Baldwin's point of view, because it did not come from the right quarter, and never hit home at the vulnerable point. It was interesting as a sidelight on the psychology of various supporters of the Party, and was evidence of the nadir of indecision which Conservatism had reached. It was doubtful whether any constructive motive had inspired the letter. Furthermore, if Mr. Baldwin had really treated his followers like sheep it was very much to his credit. To state that he was a crypto-Socialist was to repeat a truism, but not to suggest how any other man could have inherited the *damnosa hereditas* of Post-War Conservatism, and remained anything different. If Sir Martin Conway had Sir Robert Horne in his mind as an alternative, that question had already been thrashed out and decided. He hinted that a peer might be leader. The only peer who could have been thrust upon the party in its then plight would have been Lord Hailsham. He was perhaps more vigorous and more able than Mr. Baldwin but he was even less of a Tory philosophically. Good lawyers are seldom possessed of sound political judgment or imagination.

*The Times* wrote a facetious leading article on the controversy. It made playful sallies at Sir Martin Conway's mountaineering ability and accused him of "skirting peaks." That newspaper as usual characterised itself by adopting a non-committal attitude and reducing the whole question to the view of "moderate" opinion. How dangerous "moderate" opinion could be was typified by the letters in *The Times* from younger men who had chances in the Party. They pointed out that their present leader was a great asset. One wrote that he was a defence against "big business" on the one hand, and the impetuous "right" on the other. They considered that if Mr. Baldwin left the Party it would split, which from their point of view would have been highly undesirable. In fact the professions of loyalty seemed a little bland and perhaps indecent.

They were no reply to critics whose precise wish was that the Party should be split; that it should make its appeal to a different public; and bid as Lord Beaverbrook had to bring the more extreme elements of the left to the more salutary cause of Empire and Tariffs. In other words the critics of the Conservative Party wanted to create a more Tory appeal to the upper and lower of the producing classes, while those who remained loyal wished to continue to rely on their "moderate," and as often as not, Liberal supporters. It was manifest at this point that the conflict that raged about the leadership of the Conservative Party was more than one of emphasis. It was becoming one of principle.

The meanwhile was occupied by another bye-election, which was perhaps the most farcical. At South Paddington no fewer than three ostensibly imperialist candidates took the field. The representative of the United Empire Party was unclaimed by any higher power, while Lord Beaverbrook threw his energies into the support of an Independent Conservative, Admiral Taylor. The local organisation had undoubtedly chosen a weak official candidate which was hardly fair on the Conservative Central Office. Mr. Baldwin tried during the contest to come to some agreement with Lord Beaverbrook. He wrote his terms in a letter which the latter rejected. The issue had resolved itself into the simplest form. Mr. Baldwin wanted to go to Ottawa with a free hand, whereas Lord Beaverbrook wanted him to go already committed to food taxes. There is no doubt that Lord Beaverbrook was demanding a course that would prove unwise in the circumstances, but which was the only hope of achieving any appreciable result. At Ottawa as elsewhere, however, the bold action would have to be modified by prevailing circumstances. Of those circumstances the presence of the Conservative leader would be an essential feature. The precipitate course of the Empire Crusaders was calculated to prejudice Mr. Baldwin's personal position, whereas a statesman of immense

prestige and accomplishment might have succeeded in spite of it. These attacks were tending to make the leadership of the Conservative Party an intolerable position. They were taking advantage of the natural weakness of Mr. Baldwin's personality. With the result of this election matters neared a crisis. Admiral Taylor, the Independent Conservative, was successful and took his seat in the House of Commons in a strained atmosphere.

On October 30th the Caxton Hall saw Mr. Baldwin appear again to be arraigned before his party. It was then four months since he had explained away the Referendum and received the temporary confidence of his supporters. On this occasion all peers, members of Parliament and candidates were present, with Lord Beaverbrook himself among the number. On a resolution for a "free hand" to deal with Dominion trade, only Lord Beaverbrook dissented, and on the main resolution of confidence Mr. Baldwin received a majority of 283 votes. He had thus affirmed his position in the leadership of the Conservative Party for possibly the final time. In his speech he had outlined his policy and said very little in vindication of himself. "I will always bow to the will of my party," he had said and at that large and representative gathering he was wholeheartedly acquitted. It was the will of the party that it should not face the upheaval that any change of leadership would have entailed. Some of the younger members spoke against their leader, but the weight of Lord Hailsham's speech carried the day. It was clear that at that moment there could have been no change of leadership and no going back on the policy to which the Conservative Party had virtually committed itself. It was years past the point where the Party could have taken the initiative. It could only hope then to deal with affairs as they arose. The Party was indeed wise to reinstate its leader, and the complete indignity of the position was only in keeping with the times.

It remains to estimate Lord Beaverbrook's position. His

sincerity which some people were apt to doubt was unquestionable. While the campaign lasted he believed in it intensely and for that matter continues so to do. It was one of his sentimental incursions into public affairs prompted by his conscience. It was the emulation of Cecil Rhodes without the realisation that Rhodes' chief aim had been the Empire and that wealth had come almost fortuitously to his assistance. With Lord Beaverbrook his first thought had to be for his newspaper public, and his dream of Empire was subservient. The English people have always fallen easily before unity of purpose, and its absence is the underlying cause in the modern lament for leadership. Unbiased statesmanship cannot easily be combined with any vested interest except possibly that of land-owning or such similar basic interest. The statesman is in a stronger position who, for good or for ill, suffers for the consequences of his own actions. Lord Beaverbrook was always prone to desert his battles at the moment of victory. He abandoned his campaign for larger railway trucks when it had almost succeeded, because his public were growing tired of the controversy. If people could have seen the *Daily Express* going down-hill, and degenerating into a Tariff pamphlet, they would have believed in the cause of Empire Trade. That impression was not created. It would have demanded too great a sacrifice, but one that was necessary if Lord Beaverbrook aspired to a political overlordship of the Empire.

The real criticism of the Empire Crusade was its superficiality. At the same time the Conservative accusation that "freer trade" was possible but not "free trade" was hardly convincing. Nobody had believed that an Imperial Zollverein was possible, but a democracy had to be asked for the whole, if it was to yield to the half. Lord Beaverbrook's appeal was more genuine in the circumstances than the rather spurious honesty of the Conservative Party. What the Crusaders did not see was that they were tackling a problem that went deeper than mere economic Imperialism.

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World *laissez-faire* was bad enough, South American investments were pernicious enough, but there was no guarantee that Imperial Free Trade would not prove itself to be quite as gross an orgy of materialism. The real imperial problem was the disaster of dominion outlook, the imposition of sophisticated values on virgin soil and virgin intellects. An effective Imperial policy would require something amounting to a dictatorship at home or at any rate complete insulation from the electorate as a pre-requisite. Industrial disillusionment in both England and America would be necessary to make the case convincing to the Dominions. If without this assistance Lord Beaverbrook could have persuaded his fellow countrymen in Canada that civilisation did not begin with petty manufacturing, it was a pity he had not been made Prime Minister. As it was Mr. Baldwin understood the situation better, he was alive to the difficulty of any Dominion agreement in existing circumstances. He had at least preached to the Canadians, but unfortunately had not got beyond the point of moralising, in which vice they were probably less steeped than their nineteenth century preceptors from the Old World.

It was at the beginning of 1931 that the storm blew up again for the last time. Mr. Baldwin was firmer in his seat after the meeting at the Caxton Hall. The Empire Crusade was tiring its public as all political movements must that aspire ultimately to be successful. The powerful political movements of the past ceased to be of news value years before they became accomplished. It is almost certain that no modern Press magnate, despite his estimate of his own powers, could have even assisted the Anti-Corn Law League. The Press magnate is incapable of the unceasing consistency that is necessary to achieve the results of a Cobden or a Bright. Since the War there had been a tendency to think that the Press mattered, and now Mr. Baldwin was beginning to reveal its impotence in its true perspective. It was a riling moment for Lord Rothermere. It was one thing to be reminded of

the truth, as he had been in his fruitless campaign for Mr. Lloyd George in 1929; another to be reminded of it by the despised Mr. Baldwin. When the seat of St. George's, Westminster fell vacant, Lord Rothermere's party promoted the candidature of Mr. Ward Price, but he withdrew in favour of Sir Ernest Petter, a well-intentioned but not powerful candidate who posed as an Independent Conservative.

Mr. Duff Cooper was adopted as the official candidate and the fight to the finish between Mr. Baldwin and the Press commenced in March. The *Daily Mail* and the *Daily Express* supported Sir Ernest Petter and opened a campaign of abuse of the official nominee. Mr. Duff Cooper was accused of being "a political softie." At one stage the contest sank low enough for Lord Rothermere to challenge the Conservative leader to a debate. The Press by its tactics easily antagonised public opinion. Mr. Baldwin's prestige was strengthened and he became the accredited guardian of political decency. The position he had always striven to attain was thrust upon him by his enemies. He was saved by the folly of his opponents as he had been in the commencement of the General Strike. Moreover, in the same way as he broke the Coalition, so he was placed in a similar position to smash the Press. He timed his attack for March 17th, the day before the Poll, and agreed to break his rule of never intervening in a bye-election.

In his speech at the Queen's Hall, Mr. Baldwin made a general attack on propaganda. Its insidious influence had made itself felt on public affairs since the War. It was a unique opportunity for a public leader to revile it on principle; but occasions such as these the Conservative leader has been usually wont to miss. On this occasion he had his feet on firm ground for the first time for eight years. As a Conservative leader since 1923 he had not felt sufficiently sure of his position to carry the attack against his enemies, but against Lord Rothermere he could carry conviction. The sacrifice of principles which made

Mr. Baldwin weak in respect of most opponents, did not handicap his attack on the proprietors of the Press.

In a vigorous speech he said:—

“I wish to give one instance of another method of controversy. I have used an expression about an ‘insolent plutocracy.’ These words appeared in the *Daily Mail* last week:

‘These expressions come ill from Mr. Baldwin since his father left him an immense fortune which so far as may be learned from his own speeches has disappeared. It is difficult to see how the leader of a party who has lost his own fortune can hope to restore that of any one else or of his country.’

“I have one observation to make about that. It is signed ‘Editor, *Daily Mail*’. I have no idea of the name of that gentleman. I would only observe that he is well qualified for the post that he holds. The first part of that statement is a lie, and the second part of that statement is by its implication untrue. The paragraph itself could only have been written by a cad. I have consulted a very high legal authority and I am informed that an action for libel would lie. I shall not move in the matter for this reason: I should get an apology and heavy damages. The first is of no value and the second I would not touch with the end of a barge-pole. What the proprietorship of these papers is aiming at is power and power without responsibility. The prerogative of the harlot throughout the ages.”

Mr. Baldwin had not made a speech of that nature since the days when he spoke for the tariff campaign before November of 1923. The originality of the closing sentence can almost be challenged, as being beyond his capacity and his temperament. This speech nevertheless sealed the Press controversy and indicted the leaders of the Press in the eyes of the nations.

It is interesting to note that even at his most vigorous moments there is an appearance of weakness in Mr. Baldwin's attack. He has a narrow scope of real incisiveness, for the simple reason that invective is alien to his temperament. He would have done better on this occasion to have neglected the reference to a snub which the *Daily Mail* had administered to a charitable appeal by his wife. The allusion to touching the libel damages "with a barge-pole" revealed a man who was not by nature an attacker. Mr. Baldwin always tends to become banal when he becomes vigorous. When the battle rages hottest, he is so unaccustomed to it that he abandons his dignity and his normal reserve. He did not effectively emphasize the fact that the *Daily Mail* and the *Daily Express* advertised space in America to assist the sale of American goods in this country. That was the most direct point to be scored off the protagonists of Empire Trade. Mr. Baldwin read a letter from the editor of the *Daily Mail* written in 1924 stating that, "as to the Zinovieff letter, Lord Rothermere knew nothing about it until after it had been published." That was a crushing reply to all that the noble lord professed to have done for the Conservative Party, and to the injury that he considered he had smarted under by not being adequately honoured. The effect, however, of this was again detracted from by an unnecessary eulogy of Mr. Duff Cooper. To speak of young men who were "living their careers against the Press" was hardly convincing. The tendency to moralise makes the Conservative leader unable to sustain invective; the tendency to play down is a reflection on his character. Nevertheless his tactics in working himself into that position on the afternoon of March 17th, were superbly executed. When Mr. Duff Cooper was returned by a majority of nearly six thousand votes the Conservative leader had broken the political power of the Press probably for all time.

## CHAPTER X

### THE NATIONAL GOVERNMENT.

DURING the period that Mr. Baldwin was harried by the Press, Socialism was disillusioned in the enjoyment of power. The enjoyment of office was to the Labour Government a challenge to realise its theories of the past. Some objective result was expected of a party which had spent so many years in subjective criticism. The test was whether a policy designed in the interests of a class would coincide with the interests of the nation. At a time of easy-going prosperity eccentric theories and sectarian opinions can often prevail in a distractive way, but in the event of a crisis the true interests of the nation must demand first consideration. Reality will not wait on theory or opinion. It was because an inevitable crisis was approaching that political events turned towards a coalition of despair. England "bleeding to death" since 1906 had some day to discover the nature and extent of the haemorrhage. It was a bitter moment for those Socialists, who found that the situation was too precarious to withstand their drastic remedies; and a source of some trouble to the harassed Mr. Baldwin who had a shrewd idea of the cause of the crisis, but had had neither the faith nor the courage during five years to effect a remedy.

Mr. Baldwin's fall from the strong and simple path to the deviations of tactics has been already criticised. Having failed during those years when he enjoyed supreme nominal power, he could in 1930 measure his own capabilities in opposition. If he still wished to affect the affairs of the

nation, one who had failed so egregiously as a lion could only resort to the tactics of a fox. During 1930 he tended to moralise on events more ponderously than was usual. He had become more acceptable to every shade of political opinion. As no aspirant to the stake could have disagreed with the dicta of Æsop, the slave, so no man of ideas could take offence at the public utterances of Mr. Baldwin. A Liberal who had any conscience over the state of affairs to which *laissez-faire* had brought the nation, could readily praise the Conservative leader. He could afford to respect the man whose name he had already broken on the Free Trade question and whom he had reduced to his present unedifying tactics by bluff. To have respected the warnings of Sir Henry Page Croft would have demanded too much generosity. The mean man—and the Liberal must from the ephemeral nature of his policy be mean—is never willing to admit defeat. The arrogant individualist who would not tolerate the action of a Pitt, has always been ready to feign appreciation of the moralising of a Burke. Mr. Baldwin had become acceptably neutral to those who had sworn for a century that all was right with a civilisation plunging into ruin. For five years he had led the Tory Party in the ways of Socialism. He had embarrassed his opponents by making it almost impossible for them to be more logical in the application of their principles. Although during the year of 1930 Mr. Baldwin had incurred the enmity of Lord Beaverbrook and Lord Rothermere, he could almost claim to be agreeable to such diverse personalities as Mr. Runciman, Lady Oxford or Professor Laski, to mention but a few. No one could dislike or disapprove of the apologetic Mr. Baldwin. Nevertheless, a statesman who had weighed up the situation and was determined to affect it in the true interests of the race, ought from his very superiority to have been offensive. A wise man surrounded by so much folly ought, by the fools at least, to have been disliked.

To those who had followed closely the movement of

events, it was clear that 1931 would be a crucial year. In the early March of that year various changes had been made in the Conservative Central Office. There had been a re-organisation of the party machine, although by that time Mr. Baldwin can have had little idea of facing affairs again armed with the Conservative Party as his weapon. That his thoughts had drifted to other possibilities there was open evidence. He made a speech at Newton Abbot in Devonshire which in its studied purposelessness gave indications of a deeper intent. It was not that he had made up his mind, but that he would not be averse to the approaching inevitability of the Liberals being forced into an unholy compromise with the Conservatives to save *rentier* finance. "I would ask you to remember," ran one passage of his speech with reference to India, "that it is for the first time that the forces of moderation in India itself have triumphed over the forces of extremism." This was but an indication that Mr. Baldwin was prepared to believe that the right course could lie between the two extremes. It was certain that he personally would never again possess the courage or the faith to force the issue in a political crisis. He was prepared to allow public opinion with all its bias to tone down into an aimless compromise.

"No one of us," he said, "can say when the General Election is coming. It may fall any day. It may be somewhat delayed. When it comes I believe it is essential for the restoration of our country that we can defeat the Government and carry into effect as a Government the policy I have endeavoured to lay before you this evening. In support of that policy I think I may fairly appeal for national support." That such an appeal was addressed to the Liberals was clear; it could not have applied to the Socialists. The Socialists possessed a consistent if obsolete faith, which they could under any circumstances have been trusted not to desert. In the event of a financial crisis materialising in the same manner as the General

Strike, Mr. Baldwin did not want again to have to excuse himself for not being prepared to frustrate a work of twenty years' preparation. The Liberals, at least on an occasion of economic crisis, would be as ignorant as he was himself, since they represented the system which, in the case of finance, for thirty years had rendered a collapse of the credit structure of the world inevitable. Their political support would enhance Mr. Baldwin's own position. If the Liberals could be inveigled into accepting tariffs by panic that was the utmost of which the Conservative leader was capable. It would be a sound piece of statesmanship on a minor scale, although a man who had bid to lead an Empire ought to have been above a tactical move that at best could only avert the crisis without affecting its causes. When a responsible nation is heading for bankruptcy it requires a leader who is master of every fundamental question in politics. Mr. Baldwin knew when he spoke at Newton Abbot that he would be incapable of providing such leadership. To force the Liberals into accepting tariffs would be the highest move within his own powers. He would be paying them back in their own coin if he could sell Free Trade to "moderate opinion" in the same way as Mr. Asquith had sold up the Conservative Party before the War. Mr. Baldwin in March 1931 was playing with possibilities that were practical but uninspiring.

During the debate on India the Conservative leader took the opportunity of saying that he wanted the subject removed from the party atmosphere. That was but further evidence of the way in which his mind was working. He referred scathingly to a colonel in the United Empire Party who had accused him and Lord Irwin "of being negrophiles." "That," said Mr. Baldwin, "is not the way to cement the Empire." No one would disagree with Mr. Baldwin, but the fact remained that the colonel, like many others, had been most probably driven to hyperbole by the vacillating tactics of the Conservative leadership.

That Mr. Baldwin felt subconsciously that there was truth in this criticism was shown by a curious remark. "It is the supreme duty," he said, "of a political leader to tell the country the truth because truth is greater than tactics." He at least appreciated the need for honest leadership. However, if anyone obscured the truth in 1930 and indulged in high tactics it was Mr. Baldwin. His non-committal attitude to India was only a case in point. In the same way, as he had always hankered after some heaven-revealed morality, so he led people to believe that there was some fixed political truth that no party in Parliament could ever discover.

Truth, in so far as it exists in sectarian politics, is relative to accepted values. It is true that the profound thinkers have discovered the same truths, but only because deep thought discards false values. Each party in the modern democratic state has discovered some manner of truth, based on the false values by which it appeals to the biassed for power. Mr. Baldwin was discovering that half-truth, based on a jumble of the false values, which is more commonly and correctly called a compromise. He was attempting to safeguard his intellectual position by finding an excuse for complete personal and political inaction. That was perhaps the achievement for fear of which retired colonels, with sound instincts and little reason, gave way to violent threats.

Mr. Baldwin admitted in regard to India and the Empire that he himself was powerless to forecast the future. He spoke as a man devoid of imagination and overwhelmed by the complexity of civilisation. He was prepared to move the rudder, but it was problematical whether the ship would answer to the helm.

"No man," he said "can see to-day however far-seeing he may be, what may be the position of the Empire fifty years hence. It is no dead matter, it is organic and alive in a constant process of evolution, a process which is being speeded up every day, and few could have foreseen

even a few years ago to what point that evolution would have brought the relations of the great Dominions and the Mother Country and it cannot be supposed that, in this world of evolution, India alone is static."

Such sentiments should be read as the confessions of a man who has never possessed the vision to lead. The criticism of Mr. Baldwin need not be personal for it can be made of modern statesmen generally. The fact remains that it is difficult to conceive of India or the Empire as being in a state of high evolution. They can only be said to evolve, judged by decadent standards to which in fifty years it seems unlikely that any wise man will be found to subscribe. It might have been true to speak of Japan evolving at the commencement of the twentieth century. She at least discarded her static civilisation to be in time for thirty years of western industrialism. To speak of evolution in respect of the westernisation of India, while standing in the twilight of democracy and technocracy at home, is to be guilty of fraudulent leadership in the Orient. If Mr. Baldwin was so confused as to his destiny as an Imperial leader, it was probable that he would be more confused in the face of a crisis in the economic structure of the western world. A man who had no image of the political structure he intended to erect was bound in the face of his own work to be overwhelmed.

The Liberals were slow to reciprocate Mr Baldwin's early manifestations of goodwill. On the 24th of March there was held a meeting of the Liberal Parliamentary Party. It was agreed to support Labour to the extent of continuing their existing Government in power. Any requests to the Conservative leader to overthrow the Government were not for the time being able to be complied with. It was clear however that Mr. Baldwin, was not frustrated. Sir John Simon and Mr. Pybus were among those who expressed a readiness to support the Conservative Party. The fact that Mr. Ramsay Muir raised a cry over the need for Electoral

Reform and was sufficiently old-fashioned even then to believe in "one man, one vote," could hardly disconcert Mr. Baldwin. It was merely amusing that the Socialists had benefited most from illogicalities of our democratic system. On April 1st Mr. Baldwin welcomed officially a Liberal convert to the Conservative Party. That the Conservative leader's policy would succeed appeared certain; with what results the rank and file were unable, and would remain unable, to foretell.

The two advancing forces which were overtaking all else in the political situation were Mr. Baldwin's tactics and the financial crisis. In April plans appeared for an extensive Conservative campaign. By the end of May unemployment figures had risen and the situation was serious for the Government. In June, 1921, £20,000,000 had been borrowed under the statutory powers for the Unemployment Fund; in the June of 1931 that sum had advanced to £115,000,000. The dole was threatening the financial and moral integrity of the country. Mr. Baldwin made a speech in which he said that "finance was the Achilles heel of democracy." That was proof that the Conservative leader had understood the nature of the crisis, which was approaching but from the Liberal point of view, and was prepared to lead the Liberals in any attempt to save *rentier* society. In early July, the Coal Mines Bill was passed of necessity. The quota system was agreed to with a bad grace, because it marked the reversal of every principle of Liberal economics. In mid-July, Germany was plunged in a crisis, the oscillations of which affected this country. At the end of July, Mr. Snowden confessed that it would be almost impossible to balance the Budget. The Chancellor of the Exchequer was himself preoccupied with the details of the Scheme for converting War Loan. The succession of crises was furnishing effects for the stage, and it was Mr. Baldwin who appeared tactfully to be guiding them into position. It seemed probable that he would again become the central figure in yet another political drama.

The manner in which Mr. Baldwin's mind reacted to events was perhaps best shown in a speech which he delivered at Hull. He made an appeal for tariffs which was consistent in point of principle but gave even clearer indication of the policy to which he was committing himself. His fear of party politics by that time was great enough to have led him to make any suggestion, however immature, provided it was agreeable to every shade of opinion. He wished to appoint a permanent Tariff Commission. And once more he confessed that it ought "to be above Party politics." He saw the necessity for a well-paid personnel which would be similar to the judicial bench. The idea was laudable but the efficacy of the scheme had ultimately to depend on the manner in which it was brought into operation. That Mr. Baldwin knew himself to be incapable of enforcing his intentions other than by compromise was becoming more clear. Whether the Conservative leader would rise above Party politics with a national plan or sink below Party politics with a national compromise had to depend on his motive. That motives are always in politics more material than the actual facts was later to be revealed. After abolishing a Coalition in 1922 and inveighing against the prospects of another in 1930, Mr. Baldwin's excuse in 1931 was somewhat lame.

"I do not believe," he said, "a National Government on wartime lines necessary or possible for the present tasks, but I am prepared to co-operate gladly with men to whatever party they have belonged in the past, who recognise the first essential step in the safeguarding of our own markets and the promotion as far as possible of economic unity in the Empire."

Superficially, no statement could have appeared more plausible. No unbiassed student of the country's economic affairs could have gainsaid the need for tariffs and political

action. It remained, however, a question of degree, of method and of motive as to whether the future was to be materially affected. Policy was what the situation demanded, expedients were all Mr. Baldwin was in a position to promise.

The Report of the May Committee on National Expenditure appeared on July 31st. It was bound in the circumstances seriously to embarrass the deliberations of the Government during the month of August. There was a recommendation to save ninety-six and a half million pounds, which at that time was liable to cause unpleasantness among those who were called upon to make the greatest sacrifices. The Report had not been unanimous. The majority had tended to confine their advice to a saving on the social services. The minority were against cutting the social services without making a commensurate reduction in the benefits of the War Loan holders and the receivers of fixed incomes generally. That the Socialist complaint was politically sound will almost certainly come to be appreciated in the years ahead. As usual, however, a just demand was drowned in the rather futile clamour of the extremists. Wild advocacy of a policy of inflation prejudiced what was a timely reminder to the nation of an uncomfortable truth. *The Times* was given the opportunity for a somewhat unworthy snub and a high-handed condemnation of what was called "dishonest talk about inflation, at a time when confidence was necessary for the conversion scheme." What could have been more dishonest than obtaining money on a false confidence, as was later done, it is hard to imagine. The Socialists only considered that "sacrifices were being asked from the unemployed, the police and the teachers and not from the *rentiers*." If their motive in objecting was from sentiment for the poor their criticism was worthless; if it was from apprehensiveness for productive industry their objections may yet remain as a warning. However it was unfortunate for the Government that they were forced to pigeonhole Sir George May's

Report because of opposition from the left wing of their own party.

On August 11th, Mr. Ramsay MacDonald returned from Lossiemouth to London. He was then faced with the prospect of a deficiency of £120,000,000 on the Budget. On August 13th Mr. Baldwin broke off his holiday at Aix-les-Bains and also returned to London to examine the situation. By August 22nd he had been forced to abandon what remained of his holiday and had returned to London permanently. The King came down from Balmoral on the 23rd and the famous interview with the leaders of the three parties took place. On that day Mr. Baldwin had an interview of three quarters of an hour with the King and also with the Prime Minister. It was as the inevitable result of the Buckingham Palace conversations that the first National Government came into existence. Party politics and economic *laissez-faire*, the twin products of the Liberal mind, were cast aside on that eventful day, and a spurious unity was achieved by means of which the prestige of Great Britain was upheld. In the face of crisis that momentary agreement was attained, of which Mr. Baldwin had spoken so much, since he had failed with a vast majority to be a national leader. At last, everything was as he had pleased to call it "above party politics." Actually economic *laissez-faire* had only been abandoned in favour of political *laissez-faire* and haphazard. Government had fallen several stages below the party system because with the abandonment of all principles the boundary of statesmanlike vision was considerably foreshortened. No longer were there any fixed tenets by which to foresee the future or to progress rationally. Because a policy had been agreed of stopping the leaks from day to day it did not alter the fact that the ship of state was foundering.

While the Prime Minister was busily engaged in gathering together the Cabinet of the National Government, Mr. Baldwin made his official statement. It was issued on the 24th of August and read as follows:—

"The formation of a National Government containing members of the three parties in the State is a guarantee to all concerned at home and abroad that the gravity of the situation is realised by those to whom the facts have been made known and that they are resolved at once to take the measures necessary to put the finances of the country in order.

"The only means by which the national emergency can be met is by close co-operation between all parties. For this purpose we Conservatives have consented for a limited period of time to enter a National Government, which is to be formed for the express purpose of carrying out such measures as are required to balance the Budget and to restore confidence in our national credit and there is no question of any permanent coalition.

"The National Government has been allotted a definite task and on its completion it is understood that Parliament should be dissolved as soon as circumstances permit and that each of the parties should be left free to place its policy before the electors for approval. By this means no party will be called upon to sacrifice any of the principles in which it believes. But the gravity of the crisis is such, that it is the bounden duty of everyone, who studies the welfare of our country, to put aside party differences for the time being and to co-operate in the national interests. In that task we Conservatives will play our part boldly and courageously."

The change in Mr. Baldwin's mind towards the desirability of a party compromise in most matters of state has been already remarked on. The significant words in his official statement were, "There is no question of any permanent coalition." He made it quite clear, as indeed the temper of the Conservative Party demanded, that no principles were to be abandoned. It must be remembered that the Conservative Party, at that time, had high hopes for the future. The Tariff struggle which had been waged since

1903 seemed near to victory. It was known that a strong element in the bewildered Socialist Government had turned favourably towards Protection. A Liberal policy of twenty-five years quickened by two years of Socialist theory had brought the country to disaster and the Conservative Party, condemned as it was by the record of its 1924-29 Administration, appeared singularly blameless in contrast. That was the background before which events should be seen to be understood. Mr. Baldwin's statement was interesting, because it emphasised the transitory nature of the new experiment. The immense power of his position on the day that he returned from Aix-les-Bains is also a fact to be remembered. It was said earlier that had he retired after his defeat in 1923 he would have been more powerful than Mr. Joseph Chamberlain and that had he possessed the intellectual preparation after the General Strike, he would have become the dominant figure in world politics. So, it was true that had he possessed a real and not a nominal following on August 22nd, 1931, he could have held the world at his feet. History has been full of doubts as to whether great men would ever meet their opportunities—the unfortunate Mr. Baldwin saw the three greatest openings in the twentieth century in the short course of eight years.

That Mr. Baldwin was satisfied to lose these opportunities and to be swept into a National Government was natural. He had outbid his capabilities in normal times, he could never bear the responsibility of abnormal times. Faced as the country was with starvation and bankruptcy it would have required a leader, with a deeper training than any post-war statesman possessed, to have taken upon himself the sole responsibility. That the presence of such a national figure would have provided the quickest solution of the problem is certain. Furthermore, that the leader of the Tory Party logically should have been such a person is now a disconsolate truth. As it was, following the line which Mr. Baldwin had taken since the General Strike,

he and Mr. Neville Chamberlain were virtually compelled to co-operate with their erstwhile opponents. Golden opportunities passed by the Conservative leaders without regret, since at least they had obtained their desires and were removed from criticism. Although they deplored their country's plight, they had the satisfaction of having reduced all their opponents to a similar position of compromise. Mr. Baldwin had personal satisfaction in feeling that affairs which had baffled him in supreme power were complicated enough to produce a supreme crisis. He no longer remained a solitary leader without a policy. The policy of the Socialists had proved disastrous, and Free Trade was fundamentally responsible for the existing chaos. He could even pique himself on vindicating the Tariff policy for which he ought to have retired nine years before. To reconcile himself to his position, Mr. Baldwin had merely to persuade himself that a victory by stratagem was as good as a victory by superiority. Unfortunately in politics such is not the case, since only the latter silences recriminations.

During the panic of mid-September the idea of a permanent National Government gained ground. Government by compromise was found to be the best method for politicians who had universally failed to understand any crisis since the war. The Conservatives and Liberals were determined to save the £ sterling. The Socialists were not so perturbed because they considered that in itself was not sufficient to remedy the situation. Once again statesmen tried to persuade themselves that their difficulties were purely economic. They turned a blind eye to the fact that the financial crash was as much political as the Coal Strike, being in the same way the inevitable result of false policies. On September 20th efforts to save the £ failed. England went off the Gold Standard. Since July 200 million pounds worth of gold had been withdrawn from the Bank of England. At that moment the gold holding of the Bank was only 130 million and the Invergordon

incident in the Fleet had done something to undermine the confidence of foreigners in Great Britain. The flight of foreign capital from the country had of necessity to be guarded against. A contingency which was discussed earlier in relation to the Protection Campaign in 1906 had materialised. By refusing to meet foreign obligations in gold, in other words, by regulating the withdrawal of capital, a nail was hammered into the coffin of *laissez-faire*. With gold scarce and dear and prices fallen—the commerce of the world on which Great Britain was dependent, had come to a standstill. What Disraeli had described as long ago as 1846 as a system of Dutch finance had reached a logical conclusion.

To understand what the crisis of 1931 represented much must be borne in mind. Calamitous consequences were the result primarily of centuries of bad government. The political history of England for at least forty years contained innumerable instances of postponing the inevitable consequences of false policies. When the clamour of greed gave way to the cries of panic the three parties which had each submitted to the same tendencies in the past were forced to unite. The presence of fear was natural. It was both rational and instinctively sane that a great race should feel fear when its strongholds had become the redoubts of its enemies. The crisis of 1931 had been deliberately postponed from years when it would have been less calamitous and when the nation could better have withstood the hardship. It was naturally due in 1908 and was disastrously postponed in 1919. In 1908 the solution of the population problem, (complicated by the lack of character in the control of industry under limited liability), was postponed by the insurance measures of Mr. Asquith and Mr. Lloyd George. The Fabian policy of confiscation was doubly criminal when the real, as opposed to the statistical, industrial supremacy of Great Britain was already dwindling. The unchecked social evils only increased during the War and the vitality of the nation became further

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sapped. In 1919 the reactions of the pre-War robberies began to be acutely felt. Instead of recognising the warning symptoms and facing facts the politicians devised elaborate screens, and people were told that they were economically more prosperous than ever as a result of their concentrated efforts to destroy their wealth during the years of War. The burden of debt was maintained and a camouflage was produced by the most elaborate currency policy. Despite the warnings of the Socialists, and, from a different motive, of Mr. Bonar Law in suggesting a capital levy, and the example of Mr. Baldwin's free gift, England postponed what was an evil day.

The problem which presented itself in 1931 was more acute than that immediately after the War. Liberal policies it has been said, had created a mass of people who could not be employed, who could not emigrate, and who could only be fed by borrowed money. The nation's capacity to earn had been outstripped by the increase of population it was called upon to support. In addition, the fall of invisible exports in 1930 was a cause of grave embarrassment. By a strange irony the Labour Government was forcibly acquainted of the fact in the House of Commons by Sir John Simon. That the returns from foreign capital and British shipping were bound to diminish in the future was a serious prospect. The history of Venice and Holland had shown that a single city could exist on an entrepot trade, but it was obvious that a nation of forty-six million people could only do so at its peril. With overproduction bringing the trade of the world to a state of stagnation, England was reminded of the precarious position in which she had been placed by the protagonists of Free Trade.

Because fear for the Budget over the fall in invisible exports was an important factor, it did not alter the fact that a collateral cause was the increase of post-War debt. That the existence of national debt would ultimately create a crisis had been prophesied by Disraeli in *Sybil*<sup>1</sup>.

<sup>1</sup> Bk. I. chap. 3.

The old financial system where credit was the auxiliary of trade had given way to a system of world finance where the banks and the whole social structure were dependent on the increase of debt. The war had only exaggerated the situation to a point where its absurdity had become threatening. Somewhere the process had to end. It should be clear that the crisis of 1931 was not primarily a national crisis but a collapse of what had become an international financial system. The problem still remains and the National Government is certain to fail by attempting to avoid hardship for a superfluous section of the community in keeping the financial structure above water. On the other hand the Socialists, who withheld from the first National Government, had gone too far to pretend that there was any inherent vice in the financial system. The vice was in a nation keeping in debt. There was no conscious banker's "ramp" or Jewish plot, because the mind of the Jew and the banker is too shallow and unrooted to plot politically for other than material advantages. The nation was in the hands of a low type of manipulator, because the complacent acceptance of the Liberal policy of debt in the past had stimulated material advance at the expense of the moral rectitude of the State. To use Disraeli's words "Industry had been mortgaged to protect property." The failure to scale down internal debts in 1919 was responsible for the crisis in 1931.

In the years between, the Conservative Administration of 1924 had aggravated the situation by returning to the Gold Standard. To have returned to the Gold Standard without any comprehensive social and economic policy was folly, because the material wealth of the nation was bound under a continuance of world *laissez-faire* to wane. The financial prestige, which it was supposed that the action would enhance, was illusory. Without the spiritual activities of a great power and a great ruler, mere material gestures are always vain. What might have been a policy for a Napoleonic power contemplating conquest or at least a

revival of trade, was no policy for the miserable cabinet of Mr. Baldwin's 1924 Government. A Government strong enough to have suspended social services, and to have reduced the principal of all national debts might have been justified in doing what a Government that was too weak to reform the House of Lords actually had the temerity to accomplish. The return to the Gold Standard for foreign trade apart from bolstering the Free Trade system, greatly increased the burden of national debt which productive industry had ultimately to bear. No one can tell to what point the purchasing power of the pound had fallen when the Government floated the War Loans. It has been considered to have been worth ten shillings, and even less. However, when the Gold Standard was applied it had the effect of raising the prestige of the paper money very considerably, although not up to the level of gold. The nation, therefore, had borrowed when the pound was very low and had to repay when it was far higher and even at par for foreigners. The profit, which has been estimated at a stupendous sum, has been paid by the producers of the country to home and foreign investors, whose fixed returns have only recently been reduced. This would only have been a small evil, if a second consequence had not been as serious. The manner in which Mr. Winston Churchill and Mr. Montague Norman had averted the dangers of a dual currency existing in the difference between an internal paper and an external gold currency was not completely watertight.

After the nation had returned to the Gold Standard it still kept a paper system of currency within the country. The paper pound was nominally legal tender for the £ in gold. Thus the exporter was paid in paper, but the importer was forced to pay in gold for his imports. In theory there should have been no difference, but in actual fact the paper pound was bound to be less valuable than the gold sovereign. Apart from the psychological supremacy of gold over paper, the uncertain state of national industry made the difference even wider. The effect was to penalise the home exporter.

The importer selling goods in Great Britain got his paper value, which if the pound stood for example at 15s. showed him an actual profit of 5s. when he converted it for payment abroad. In short, he bought sterling in its cheapest form. If on the other hand a manufacturer exported produce he did not receive gold, but was paid in paper, for the foreigner bought the paper with which to pay him. In this manner England was unconsciously subsidising her competitors against herself and while the dual system continued nothing could prevent it. Furthermore, if the process above related was reversed, it was the bill-broker and not the industrialist who got the benefit. Was it matter for wonder that there had been opposition among the banks and bill-brokers to any form of tariff to check imports? Was it matter for wonder that American Jews and French banks continued to give England credit? Was it matter for wonder that the moment the £ was threatened a crisis was produced? In such an event the real value of the paper £ as compared with the gold was revealed.

The crisis of 1931 was, generally speaking, the work of no single figure. The Labour Government was forced to resign by financial interests, both national and international, in whose sight the credit of the British Government no longer was good. In the fear of starvation the country faced its mortgagees, so numerous and so highly organised as to have become the greater part of civilisation. The key men had become the financiers, who had always been considered among the lower creatures by the cultural standards of rulers in the past. The race that prided itself on Magna Carta was self-sold to the class whose teeth it was the mediaeval custom to extract. That is the irony of English history. The price was heavy for neglecting the warnings of Disraeli; of Joseph Chamberlain and, on several occasions, of Lord Milner. There was little excuse for complaints about the Dole. Its abuses were insignificant in such a crisis as that in which Free Trade policies had placed England. The want, for two and a half centuries, of the

sovereign capacity to control trade and finance to a cultural advantage had allowed a gluttonous democracy to sell its own soul. The unled masses who received the dole were not responsible. For generations science had been devoted to labour-saving appliances which had enabled one man to do the work of a hundred in the interests of finance. No one had looked ahead. No provision had been made for the increasing number who were thrown out of work. On the contrary, everything had been done to depress wages by encouraging aliens to swarm into the country. It was not for the Tory to turn against Englishmen on the dole. None ought to have done so who supported as Home Secretary in a National Cabinet the contemporary high-priest of the financial system.

It should be clear from the most cursory analysis that Liberalism had created the situation which had proved so critical for the nation; *laissez-faire* in its broad application, had placed the country in an ignominious position. The over estimation of the individual had defeated its own object and allowed a small section of the community to tyrannise over the whole. Worse than that, the interests of the race had been mortgaged to interests that were often not national. It is logical to conclude that no person who had subscribed to the values, accepted the standards, or approved the policy of the last forty years of political history, was a fit person to guide the country through the crisis in which it was plunged. The task of national reconstruction was not a matter of liquidating a company but of redirecting the purpose and energy of a great people. Even had the latter been the case, the more inefficient of the late directors were hardly the people to be entrusted with the task. At the same time it was natural to suppose that those who had found their endeavours crowned with disaster, should wish to retrieve their fortunes. The policy of the old rulers would be to lift the Free Trade market and sell out their reputations. If ever there was a case for stamping out the Liberal Party, for holding panic-stricken

converts at a distance, and for harrying the very strongholds of Free Trade, it was at the General Election after the temporary National Government. Because of the magnitude of the interests at stake and because the Conservative leader had neither the power nor the prestige to lead, the opposite course was taken. Having sworn to the temporary nature of the first National administration the point of interest had to be the behaviour of Mr. Baldwin when the crisis was found to be, as he already knew it, interminable. He knew that forty years of right policy could not unravel the thirty years of entanglement. His speeches up to 1923 showed that he knew the proper course to adopt; his speeches since 1923 showed on the contrary that he was no longer the disciple of Joseph Chamberlain but the shadow of Mr. Asquith.

At the close of September the temporary nature of the first National Government caused people to look ahead. Talk was widespread about the necessity for a General Election and the idea of a properly constituted National Government gained ground. On the 28th Sir Edward Grigg had written a letter to *The Times*, which had provoked comment. *The Times* itself had approved. There must come, however, a time shortly when the letter in question and the temper of that particular moment will be looked back on with amazement. "We need a National Government with clear aims, rather than a National Government with confused ones," was but a sample of the commonplaces that padded out Sir Edward Grigg's lengthy epistle. To have asked at that moment, when a Coalition ceased to be a Coalition, and when men whose opinions had differed over a lifetime ceased to be confused in their common judgment, would have been impolitic. The sentiment for the moment appealed to the most responsible figures in public life. It was the product of a summer of backstair gossip. The advantages of Liberal-Unionism had been again weighed and intrigue had been directed to bringing such a state of affairs into existence. The experiment, so disastrous earlier in the

century, was again to be indulged in with all complacence. Many Conservatives were coming to the view that Mr. MacDonald should be given a "doctor's mandate." Although it was the back bench Conservatives who wanted a tariff fight, the weight of opinion was generally against them.

It is necessary to realise the attitude of the Back Bench Conservative to see the break up of the Conservative Party in perspective.

An important body during the summer was the Empire Industries Association. By August, 1931, it had two hundred Conservative members of Parliament, and a strong tariff policy was winning over those members whose want of imagination made them susceptible to their leader's non-committal tactics. Had Mr. Baldwin appealed for tariffs he would have had loyal support. Thousands had been spent on propaganda and a tariff policy had appealed favourably to the north country. It must be remembered that the Empire Industries Association had carried the torch alone since 1923, although it was only in 1931 that the anxiety of the "party hacks" over the votes of their constituents had become allayed. The means to have lured Mr. Baldwin into an unsanctified alliance with Mr. MacDonald and perhaps Sir Herbert Samuel, or to have bound him to a Conservative programme were present, but a rebel leader was as impossible to find as any other leader in public life. A resolution to strengthen Mr. Baldwin's policy and to make a formula that would have been unacceptable to Sir Herbert Samuel was actually quashed by a junior member of the Government. The plausible half truths about the nation depending on a successful appeal to the country and the currency crashing were trumped up victoriously. It was said that negotiations in the Cabinet were hanging on a thread, which was only to be expected if the Liberals were discussing tariffs. Suffice it to say that whatever powers there were, such as these, to have scotched the intentions of Mr. Baldwin, he easily frustrated them. The chief advantage derived from his combination of weakness and cunning,

was that a full blooded tariff programme would probably have been victorious, but irritating to the working classes, as introduced by business men and not by a statesman of vision. Tariffs which were a necessary weapon for a world-wide policy might have been self-effaced if used merely in the narrow interests of trade.

In early October the decision to appeal as a National Government was agreed to after much negotiation. It was only in the normal course of events and to be expected. *The Times* was of opinion that to want "A Free Trade-Protection battle on party lines was lunacy." The opinions of that newspaper however are characterised by their lack of imagination, which is perhaps a factor in its excellence as a journal. The fact that there was no Conservative statesman capable of rising above party factions must be admitted. Mr. Baldwin could sink below them by agreement, he could not rise above them by leadership. Nevertheless by not having a tariff battle on party lines, the whole party system for better or for worse has been jeopardised. By postponing the third crisis in the century, it has made the Constitution worse equipped to withstand the fourth. The magnitude of these crises is increasing and Liberal policies can never be suspended by debate. Generally speaking, wealth can still only be produced by the creation of debt; the prospect is ludicrous. Next time the very presence of a great leader will be a danger. Apart from the Crown nothing will remain between Communism and a dictatorship. Although such considerations as these impressed no one in October, 1931, they can hardly be dismissed as irrelevant.

The manner in which Mr. Baldwin would personally have re-acted to such a situation as this is understandable. He was the man who ought to have led the nation but had already proved himself to be incapable of such a task. His indolent and yet diplomatic temperament was suited to a coalition, all his activities for years had been leading to such an event. His opinions had become so moderate that he was forcing himself to coalesce with everybody. He would be

pleased to manipulate situations and bear no lonely responsibility. He was better off dealing with a crisis than facing criticism on his lack of constructive statesmanship. In 1931 he had the added incentive of going into a National Government as a man who was "playing cricket." That was an attitude which in a strong man might have been laudable, but which was not so in a rather docile personality. The morality of England's national game has done her incalculable harm as practised by weak leaders since the war. It must be remembered that Mr. Baldwin would be content to see the policy which he had abandoned rise from the wreck of some future National Government. He would feel that he had done his best at a moment of supreme crisis. His critics perhaps should realise also that the most he could hope for was to save the situation for some future leader, who was not present in 1931. The clear proof of the absence of any superior to Mr. Baldwin was the fact that no one overthrew him before the decision was taken to join a second National Government. Mr. Baldwin must be judged harshly in relation to the position in which he had placed himself, although he must be admitted still to have been the strong man of the Conservative Party at his weakest moment.

The King dissolved Parliament on October 6th and announced the Election for the 27th. The first National Government came to an end with an uninspiring record which was perhaps ominous for the future. It had provoked trouble in the Fleet. It had produced the worst and the most unfair Free Trade Budget in history. Incidentally, it only balanced with the aid of tariffs imposed by a subsequent administration. It had borrowed vast sums from France and America in order to keep on the Gold Standard, in which attempt it had failed. The victory of the new National Government on October 27th meant grave responsibility for those in office. The test would be whether it could undo years of Liberalism and still contain the Liberals. In an almost tragic despair the Socialists gave way to the most

remarkable election of the century. The Union Jack was flaunted in their faces by the greater culprits in the disaster. Bound up with the renegades and still "playing cricket" in "a blinding light and on a bumping pitch" was the unled host of the Conservative Party. Mr. Baldwin's official excuse read as follows:—

"At that time (the formation of the First National Government) we expected that the co-operation then secured would last only for a few weeks, but recent events have rendered it necessary, in my opinion, that the period of this co-operation should be extended."

The unfortunate feature of the Election was the fact that the real issue was obscured. It transpired that Mr. Graham in the Labour Cabinet had voted for a 10% tariff on manufactured goods and that he had voted in a minority of five to fifteen for a duty on all imports including food stuffs and raw material. If those Conservatives who represented productive industry and the Trade Unions could eventually have been united in the interests of production and service, a real national issue might have been settled. Such a combination would have been as fatal to the financial and middle interests as the present system is to agriculture, manufacture and labour. From either side must have come eventually the brain to have reorganised trade on a national basis. Given power the sentimental follies of State-control might have disappeared from an out-worn Socialism. As it was, egregious Liberals alarmed for their bank balances wrote letters to *The Times* about patriotism being higher than party. Such sophistry was only combined with the most unfortunate treatment of Conservative candidates. Men who had diagnosed the situation correctly, were superseded by others who had contributed to the disaster. The Government's support was given to Liberals like Sir Herbert Samuel and Mr. Pybus. The former was opposed at Darwen despite the murmurs about "playing the game." That

having made the decision it was perhaps unwise to have opposed the Liberals, did not alter the illogical nature of the Election. A burden had been placed on political faith and intellect owing to the lack of leadership at the top. The Conservative Party, already devoid of initiative, returned like schoolboys held together by an artificial *esprit de corps*. A confusion of opinions, an emasculated policy and a sentiment in place of a leader was the equipment of the new Government and so it still remains.

Instead of passing strong measures the National Government as was to be expected, commenced by passing weak measures with a certain outward display of strength. The Statute of Westminster, which owing to the meddlesomeness of a previous Government had become almost an inevitable piece of routine, was enacted with little opposition. The inability to affect the Empire had been an earlier pretext for interference. There had been the weak desire to make a gesture by raising a convention, because it was conciliatory to the dignity of law. On the second reading Mr. Winston Churchill opposed, but in the Press and in the House of Commons the passage of the Bill was carefully prepared. So far as Conservative opinion was concerned, Mr. Amery, the late Conservative Secretary of State for the Dominions, supported it, because it marked "the end of a political and the beginning of an economic Empire." Such loose opinion was probably a sample of the ebb to which political wisdom had been reduced in the long years of dilatory tactics. How long an Empire could exist on a trade partnership would be a new experiment. That an Empire cannot be organised scientifically but must depend on the inherent political power of its integral parts from year to year, is a proposition that Conservatives still baffled by Liberal motives cannot appreciate. Mr. Baldwin spoke for the measure and made the strongest efforts to get it passed. Having placed himself at variance once again with the best of his supporters, he was playing the old tactics despite the changed nature of the Government. His fears

on this occasion were that a defeat of the measure might prejudice the Conference at Ottawa. Mr. Baldwin's fears are always that he will not be in a position at some future date to conciliate. He said, "We realise that the other Nations of the Empire are grown up," and again, that "the days of tutelage are over." Such plausible rhetoric did not dispose of the chance that the tutor might be prematurely senile. How to prevent political senility neither Mr. Baldwin nor his imperial protégé, Lord Irwin, give any idea beyond raising a self-conscious brotherhood of sentiment and goodwill.

The India debate may be taken as a further example of the attitude of the National Government. It was a mere affirmation of Mr. MacDonald's approach to the Round Table Conference. As with the Statute of Westminster, so resignation was the dominant feature of the discussion. Once again, there was an inability to realise that the line which was considered to be progressive could never lead towards "progress." The Government would not see that the path which they believed to be progressive only led to stagnation, if not to chaos. The Indian Empire would automatically become an integral part of the greater Empire, if ruled by aristocratic standards and a real sovereign power. When the last vestiges of Liberal opinion have disappeared and democracy has become past history, the utterances of the leaders of the National Government will appear as so much wasted breath. India, with its rich cultural background, could be more closely a part of the British Empire than any of the dominions of the new world. The only real problem in modern imperialism, is the possession of the material of an over-technical civilisation, by countries which should, by virtue of their age, be still in a state of peasantry. Nevertheless, the middle class outlook of the modern politician cannot assimilate the peasant truths.

The politician remains too entangled in the contrivances of his technical life to see the world other than as he sees

himself. Mr. Baldwin has since 1923 been the great leader of middle class opinion. The National Government is but the culmination of the philosophy of the shopkeepers' appeal. To such men the future of India or of the Empire generally must be a jaded and hopeless prospect.

In the case of agriculture the Government was slow to move from fear of food taxes. No Government that had meditated its position or thought out its policy would have been so embarrassed. Understanding is the true basis of faith and courage, and a coalition can possess none of these qualities. The understanding of a coalition is the intellectual shallowness of its most superficial member, in the same way as the speed of a convoy is the speed of the slowest horse. The Government takes a strong line only when it feels that its actions will meet with approval. It senses its reception like the perpetrators of modern feats of stunt aviation, for whom popularity is the motive of courage, rather than belief. It can be seriously contended that a new assessment of values in political leadership would cure the evils of the world. That the National Government should give such a lead is an impossibility. Its leaders, especially Mr. Baldwin, have been reared in the atmosphere of the old democratic values, they have passed their lives waiting on public opinion. Deep down the whole experiment of a national administration under the old leaders is fraught with disaster. To imagine agreement without human leadership is folly, and so it will always remain. No coalition of party interests could be national, because the Liberals are only patriotic in the face of crisis. Liberalism is the negation of national leadership but the mainstay and author of party politics.

The revelation of the instability of the Government came in the debate on Cabinet responsibility. The "agreement to differ" was early proof of the schism that would widen as fundamental principles became at stake. To expect Sir Herbert Samuel to reconcile himself to tariffs

was unnatural. The debate which commenced on February 8th was talked out, as was intended.

Mr. Lansbury moving the resolution of censure made very pertinent criticism. Mr. Baldwin who replied, indulged in a long discourse on Constitutional history, but scarcely answered the charge against the Cabinet. It is difficult to see what he intended to show by illustrating the elasticity of the Constitution from the reign of Charles II onward. It is not disputed that respect for Constitutional form is a safeguard of permanence, but it is the motive behind the form by which Constitutional precedents are judged by history. Mr. Baldwin trumped up the delusion so fashionable in the nineteenth century, about not being able to criticise new departures until they belonged to the past. People who act by chance always argue that way. The unimaginative rationalist may require the assistance of historical perspective before he can form an opinion on a new departure. The man who argues from political experience ought to be able to judge the present or the future from the motives which inspire them. In any case Mr. Baldwin contradicted his superfluous illustrations by stating that for a National Government a new principle could be adopted which might not apply to a party Government. He seemed to forget that the National Government was still a party Government so long as it existed in the House of Commons with even a nominal opposition. Mr. Baldwin's wish was father to the thought, for refreshing as a National Government would have been, the nondescript result of his own tactics was in no way as national as any of the administrations, chiefly Liberal, which rested on big majorities before the War. To discard the principle of Cabinet responsibility the Government was in no position. Unity should have been more necessary in a Government that called itself National than for a party Government that was a self-confessed sect. Party Government had at least the virtue of authority within itself, even if the sanction of the Whip could be somewhat strained.

On these occasions Mr. Baldwin's intellectual self-immolation is always a source of interest. He reveals an artistic disinterestedness in the course of history and events which is ludicrous in a statesman. He shows that to him there is no connected thread running through affairs, but that haphazard which he no doubt believes tosses him up from year to year like a cork on the waters of public life. When people are governed by tradition, usage sanctifies their actions and new precedents may well be dangerous departures. On the other hand, when tradition is dead and expediency has become an unrepentant rule, Constitutionalism assumes a different aspect. During the course of his explanation, Mr. Baldwin referred to the Cabal and Thurlow's case as if the agreement to allow Sir Herbert Samuel to remain in the Cabinet and vote against his colleagues was a parallel example of what was constitutional. Strictly speaking, he was accurate, but the immutable laws of the feline species need to be varied where the case of the panther is applied to the cat. The fall of Clarendon and the rise of the Cabal was a stage in the overthrow of unitary sovereign authority. Thurlow's case was a development which depended on the accepted ideas of the previous age. Because the case of Sir Herbert Samuel was an analogous departure, it did not prevent it being an extravaganza as Lord Winterton suggested in his speech. From one point of view it could be construed as a challenge to the authority of the administration, from another it revealed the non-existence of any authority in what was a burlesque of government. It was at least a revelation of the insanity of a Government that came forward with a doctor's mandate for a policy, and then wrangled as to whether the patients' windows were to be shut or open. Mr. Baldwin was perhaps right to say that it was a new departure which involved no principle. A cart track is usually a new departure from the metalled road of common sense.

Mr. Baldwin's apology for the first dilemma of the National Government revealed the wreck of an intellect out-bid and

over-burdened. He, at least, was not the person to command the sophistry necessary to excuse the illogicality of his position. He had some compensation for his strange bed-fellows. Although he kindled no enthusiasm, he incurred no enmity. Rightfully, this study of his politics should have concluded at an earlier stage; nearer to the materialisation of that compromise which his failure as a leader had rendered so inevitable. There is a picture of him when his supporters were attacking the Land Tax proposals of Lord Snowden. Mr. Baldwin jumped forward to defend his erstwhile opponent; with piteous banality he uttered:—

“Do you think that I, going about the country as I did and knowing the force of Lord Snowden’s speeches in helping to win seats which we never should have, was going to say, ‘Oh no, now we have got a big Tory majority, much bigger than I expected, out you go?’ Not much.”

That appeal to sentiment can mark for the purposes of this inquiry the abdication of Toryism and intellectual authority.

# INDEX

## A

Acton, Lord, 182, 219  
 Agriculture, 108, 266  
 Aix-les-Bains, 249, 251  
 Albert Hall, 184  
 Alien Element, 135, 258  
 America, 55, 144, 161, 189, 236, 262  
 American Debt, 69, 73, 80 *seq.*  
 Amery, Mr. L. S., 115, 264  
 Anglo-Turkish Unrest, 58  
 Angora, 71  
 Anne, Queen, 171  
 Apology for Coal Strike, 158  
 Archbishop of Canterbury, 145  
 Armstrong, Sir H. G., 99  
 Ashridge College, 179 *seq.*  
 Astbury, Mr. Justice, 151  
 Asquith, Mr. H. (Lord Oxford and Asquith), 45, 45, *seq.*, 48, 63, 115, 183, 195 *seq.*, 214, 217, 243, 253  
 Austen, Jane, 183

## B

Baldwin, A., 5, 5 *seq.*, 8, 24, 29, 38  
 Baldwin, G. P., 3  
 Baldwin, Mrs., 80, 106, 158  
 Balfour, Lord, 21, 54, 83, 125, 165, 167, 170, 180  
 Balfour Note, 83 *seq.*  
 Balmoral, 249  
 Banking, 3, 16, 127, 255  
 Bank of England, 252  
 Barclay's Bank, Chairman of, 87  
 Beaverbrook, Lord, 118, 221 *seq.*, 241  
 Belloc, Mr. H., 187  
 Bentinck, Lord George, 15  
 Beveridge, Sir W., 140  
 Bewdley, 6, 14, 24  
 Birkenhead, Lord, 23, 23, *seq.*, 55, 72, 118, 131, 133, 148, 198, 203, 210, 220

Birmingham, 62, 83, 108, 117, 119 *seq.*, 122, 141  
 Bismarck, 129 *seq.*, 175  
 Black Country, 67  
 Blackpool, 130  
 Bolingbroke, Lord, 172 *seq.*, 180, 186  
 Bonar Law, Mr., 41, 48, 48 *seq.*, 56, 63 *seq.*, 81, 90, 93 *seq.*, 112 *seq.*, 223 *seq.*, 254  
 Boscawen, Sir Arthur Griffith, 60  
 Boy Scouts, 25  
 Bright John, 5, 119  
 Brindley's Canal, 2  
*British Gazette*, 149  
 Bromley, 231  
 Brougham, Lord, 5  
 Broughton, Mr. Urban, 181  
 Buckingham Palace, 249  
 Bureaucracy, 16, 49, 193  
 Burke, Edmund, 241  
 Burnham, Lord, 98  
 Burne-Jones, Sir Edward, 8, 24  
 Burton, Representative, 89  
 Business Experience, 12, 12 *seq.*  
 Butler, Dr. M., 27  
 Butler, Samuel, 107  
 Buxton, Lady Noel, 231

## C

Cabal, 268  
 Cabinet Responsibility, 267  
 Cabinet Secretariat, 193  
 Cambridge University, 22, 27, 27 *seq.*, 79, 177, 186  
 Campbell-Bannerman, Sir H., 207  
 Campbell Case, 200  
 Canada, 236  
 Capitalism, 20, 28, 132  
 Capital Levy, 51, 254  
 Cardiff, 200  
 Carlton Club, 63 *seq.*

Carson, Lord, 37  
 Cavaliers, 170 *seq.*  
 Cave, Lord, 209  
 Caxton Hall, 227, 234, 236  
 Cecil Hotel, 77  
 Cecil, Lord Robert, 120  
 Celt, 7, 9, 11, 16, 18, 21 *seq.*, 24, 26,  
 44, 54, 63, 186  
 Chamberlain, Sir A., 49, 57, 62 *seq.*,  
 83, 120, 125, 139  
 Chamberlain, Joseph, Mr., 6, 114,  
 119, 124, 128, 153, 175, 195, 251,  
 257  
 Chamberlain, Mr. Neville, 115, 227,  
 252  
 Chanak, 58 *seq.*  
 Charles II, 267  
 Chinese Slavery, 37, 107  
 Chippenham, 158  
 Churchill, Mr. Winston, 23, 58, 61,  
 72, 118, 131, 133, 140, 149, 202  
*seq.*, 220, 256, 264  
 Cincinnatus, 77 *seq.*  
 Clarendon, Lord, 268  
 Coal Commission, 122, 137 *seq.*  
 Coal Mines Bill, 246  
 Coal Report, 142 *seq.*  
 Coal Strike, 134, 205  
 Coalition Government, 48, 54 *seq.*,  
 81 *seq.*, 125  
 Cobbett, W., 4  
 Cobden, R., 5, 67, 106, 109  
 Cole, Mr. G. D. H., 219  
 Communism, 261  
 Communist Party, 199 *seq.*  
 Congress, 83 *seq.*  
 Conservative, 23, 33, 35, 41, 69, 71,  
 158, 168, 177, 192 *seq.*, 223 *seq.*  
 Conservative Central Office, 226  
*seq.*, 242  
 Conservative Party, 56, 61, 63, 104,  
 113, 115, 117, 126, 130, 138, 155,  
 160, 163, 165, 179, 183 *seq.*, 192,  
 222, 233 *seq.*, 242 *seq.*, 250 *seq.*,  
 260 *seq.*  
 Conservatism, 160 *seq.*  
 Consols, 16  
 Constantine, King, 59  
 Constantinople, 58  
 Constitution, The, 28, 150, 267  
 Conway, Lord, 231 *seq.*  
 Cook, Mr. A. J., 141, 144, 148, 151,  
 151 *seq.*  
 Cooper, Mr. Duff, 210, 237 *seq.*  
 Corn Laws, 16  
 Continental Standards, 30  
 Crewe, Lord, 48, 73

Crossbreeding, 22, 22 *seq.*  
 Crown, The, 170, 176  
 Curzon, Lord, 55 *seq.*, 113 *seq.*, 118,  
 191, 220

## D

*Daily Express*, 231, 235, 239  
*Daily Mail*, 94, 148, 238 *seq.*  
 Dalton, Dr., 141  
 Dardanelles, 58 *seq.*  
 Darwen, 263  
 Davidson, Mr. J. C. C., 48, 226  
 de Broke, Lord Willoughby, 209  
 Debt Cancellation, 100 *seq.*  
 Debt Funding Commission, 90,  
 97 *seq.*  
 Democracy, 34, 209, 211, 216  
 De-Rating Act, 115  
 Derby, Earl of, 76  
 Devonshire, Duke of, 76  
 Dicey, E. V., 28  
 Dilettantism, 21  
 Disraeli, B., 100, 161, 164, 167, 174,  
 186 *seq.*, 217 *seq.*, 253 *seq.*  
 Disraeli, I., 174  
 Donation to Government, 49

## E

Eastern American Opinion, 99 *seq.*  
 East Ham, 148  
 Eccentricity, 164  
 Edinburgh University, 169  
 Edmonds, Representative, 98  
 Edward I., 24, 44  
 Edwardians, 25  
 Efficiency, 13  
 Electoral Reform, 246  
 Electricity Scheme, 141, 143  
 Empire Crusade, 224 *seq.*  
 Empire Industries Association, 260  
 English Temperament, 151  
 Erskine, Lord, 174  
*Evening News*, 87

## F

Fabianism, 16 *seq.*, 40, 177, 186, 202,  
 253  
 Factory Acts, 5  
 Fascism, 51, 146  
 Feiling, Mr. K. 165  
 Finance, 104, 123  
 Finance Act (1914), 45  
 Food Taxes, 108  
 Foreign Office, 56, 58, 199 *seq.*  
 France, 51, 58 *seq.*, 136, 262

Free Trade, 107 *seq.*, 121, 123 *seq.*,  
241, 243, 252, 254 *seq.*  
French Revolution, 174  
Friendly Societies, 29, 31 *seq.*  
Fulham West, 227  
Functional Representation, 157

## G

Geddes, Sir A., 91, 98  
General Strike, 31, 115, 144, 149  
*seq.*, 151, 206 *seq.*, 251  
Geneva, 56, 57, 71, 120, 122  
Genoa, 55, 67  
George III, 174  
Germany, 54, 71, 73, 85, 125 *seq.*,  
129, 144, 177  
Gladstone, Lord, 62  
Gladstone, Mr. W. E., 5, 162  
Gold Standard, 52, 252, 255 *seq.*  
Great Western Railway, 6 *seq.*, 42  
Greece, 57, 59  
Gretton, Colonel, 229  
Grigg, Sir Edward, 259  
Grotius, 182  
Guilds, 14, 124

## H

Hailsham, Lord (Sir Douglas Hogg),  
133, 206, 232, 234  
Halsbury, Lord, 209  
Hampden, John, 170  
Hannon, Mr. P. J., 229  
Harcourt, Mr., 48  
Harding, President, 89, 98  
Hardy, Thomas, 4  
Harrington, General Sir Charles,  
59 *seq.*  
Harrow School, 27, 118  
Harvey, Mr. George, 86, 90, 93  
Hastings, Sir P., 198  
Hearst Press, 89  
Holland, 128, 182, 254  
Horder, Sir T., 73  
Horne, Sir Robert, 66, 82, 84 *seq.*,  
202, 233  
House of Lords, 17, 33, 75 *seq.*, 107  
Hull, 247

## I

India, 244 *seq.*, 265  
Individualism, 33, 51  
Industrial Revolution, 1, 4, 7, 14  
*seq.*, 19, 21, 24 *seq.*, 43, 136

Industry, 18, 154  
Insurance, 34, 104, 123, 253  
Internationalism, 172  
Invergordon Incident, 252  
Irish Question, 54  
Irwin, Lord, 216, 243, 265  
Italy, 51, 71, 112, 147

## J

Jackson, Colonel, 199  
Jesuit, 140  
Jews, 18, 22, 135, 186, 255  
Johnson, Miss Amy, 231  
Jones, Hannah, 7  
Junior Imperial League, 184

## K

Kernal, Mustapha, 59, 177  
Kidderminster, 36 *seq.*  
King, The, 76, 194, 249, 262  
Kingdom of Iraq, 70  
Kipling, L., 8  
Kipling, R., 8 *seq.*, 10, 35  
Kitchener, Lord, 75  
Knox, John, 172  
Kurdistan, 71

## L

Labour, 40, 111, 123, 143, 150,  
188 *seq.*, 194 *seq.*, 203 *seq.*, 245 *seq.*  
Labour Party, 40, 56, 75, 117, 188,  
198, 209, 240, 245 *seq.*, 251,  
254 *seq.*, 262 *seq.*  
Lansdowne, Lord, 162  
Land Tax, 107  
Laski, Mr. 219, 241  
Lausanne, 69 *seq.*  
Lawrence, Sir H., 139  
Leadership, 197 *seq.*  
League of Nations, 25  
Lee, Mr. K., 140  
Lenin, 41  
Lever, Sir S. H., 80  
Liberal Party, 65 107 *seq.*, 195 *seq.*,  
217, 258  
Liberals, 13, 22, 29, 42, 52, 105, 111,  
162, 176, 183, 188 *seq.*, 227, 241,  
245 *seq.*, 251, 254 *seq.*, 262 *seq.*  
Liberty Bonds, 100  
Limited Liability, 15  
Liverpool Lord, 117, 219  
List, Herr, 129

Lloyd George, Mr., 16 *seq.*, 24, 34,  
41 *seq.*, 45, 54 *seq.*, 83 *seq.*, 107,  
109, 112, 193, 197, 202 *seq.*, 212,  
215, 217, 253  
Londonderry, Marquis of, 141  
London School of Economics, 170  
Lud, Ned, 2

## M

MacDonald, F., 8  
MacDonald, G. B., 7  
MacDonald, Mr. Ramsay, 115, 155,  
196 *seq.*, 218, 249, 260, 265  
McFadyean, Sir A., 85  
Machiavelli, 173, 182 *seq.*  
McKellar, Senator, 94 *seq.*  
McKenna, Sir R., 47, 125, 140  
McManus, Mr., 199  
Macquisten, Mr., 133, 205  
Madden, Representative, 89  
Magna Carta, 257  
Maine, Sir Henry, 180, 185 *seq.*  
Manchester, 62  
*Manchester Guardian*, 94  
Mass Production, 14  
Marx Karl, 15, 188  
May, Sir G., 248  
Melchett, Lord, 132, 140, 144 *seq.*,  
151, 167, 230  
Mellon, Mr. A., 89, 91  
Metaphysics, 170, 176  
Middle Western Opinion, 97 *seq.*,  
100 *seq.*  
Miners' demands, 146 *seq.*  
Miners' Eight Hour Bill, 39  
Miners, Federation, 145  
Milner, Lord, 16, 257  
Monypenny, Mr. 175  
*Morning Post*, 149  
Moscow, 146  
Motive, 167  
Mudania, 60  
Muir, Mr. Ramsay, 245  
Mussolini, 51, 70

## N

National Expenditure, Report on,  
248  
National Fuel and Power Commis-  
sion, 143  
National Government, 42, 121, 196,  
202, 240 *seq.*  
National Government (First), 249  
*seq.*, 262 *seq.*  
National Health Insurance Act, 34

National Holding Company, 156 *seq.*  
National Institute of Industrial  
Psychology, 19  
National Liberal Club, 195  
National Wages Board, 141  
Near East, 54 *seq.*  
Newport, 63, 67, 71  
*New Republic, The*, 88  
Newton Abbot, 242 *seq.*  
Nietzsche, 169, 173, 213  
Nonconformity, 43  
Norfolk, North, 231  
Norman, Mr. Montagu, 86, 256  
Nottingham, 227

## O

O'Connor, Mr. T. P., 39  
Oldfield, Representative, 88  
Ottawa, 265  
Oxford and Asquith, Lady, 241  
Oxford University, 28, 79

## P

Paddington, South, 233  
Page-Croft, Sir H., 241  
Paincoe, Lord, 210  
Parliament Act, 117, 209 *seq.*  
Parliamentary Methods, 17, 28, 30,  
193, 205  
Party Politics, 25, 35, 37, 108,  
190 *seq.*, 204 *seq.*, 215, 247, 249  
Passfield, Lord, 178  
Peel, Sir Robert, 175, 189  
Petter, Sir Ernest, 237  
Pitt, William, 173 *seq.*, 180, 241  
Plymouth, 113 *seq.*, 118  
Poincaré, M., 59, 61, 140  
Port of London Strike, 42  
Power, 201  
Poynter, Sir E., 8  
Prayer Book Debate, 212 *seq.*  
Pre-Raphaelite, 9, 24 *seq.*  
Press, *The*, 43, 144, 149, 161, 201,  
221 *seq.*, 264  
Price, Ward, Mr., 237  
Principle, 211 *seq.*  
Profit, 13  
Progress, 18, 26, 265  
Propaganda, 237  
Protection, 37, 103 *seq.*, 191  
Provincial Leader, 23  
Psychology, 19 *seq.*  
Public Opinion, 25  
*Punch*, 118

Puritanism, 224  
 Purpose of Toryism, 160 *seq.*, 258  
 Pybus, Mr., 245, 263

## Q

Quakerism, 5, 43  
 Quaker Stock, 2  
 Queen's Hall, 237

## R

Race, 33  
 Rapallo, Treaty of, 55  
 Red Letter, 199 *seq.*, 204  
 Referendum, 225 *seq.*, 229 *seq.*  
 Reformation, 44  
 Reform Bill (the first), 35  
 Rhodes, Cecil, 135  
 Roman Republic, 221  
 Rome, 150  
 Rosebery Lord, 174  
 Rothermere, Lord, 227 *seq.*, 236  
   *seq.*, 241  
 Roundheads, 170 *seq.*  
 Rousseau, J. J., 172  
 Routine, 20  
 Royal Commissions, 142  
 Royal College of Physicians, 218  
   *seq.*  
 Runciman, Mr. W., 241  
 Russia, 54, 56 *seq.*, 71, 131, 147, 173,  
   188, 199 *seq.*

## S

Safeguarding, 124 *seq.*, 227  
 Safeguarding of Industries Act., 67,  
   113, 125  
 St. George's, Westminster, 237  
 Samuel, Sir H., 122, 139 *seq.*, 258,  
   260, 263, 266 *seq.*  
 Samurai, 52  
 Sankey, Mr. Justice, 47, 136  
 Science, 14, 19, 21  
 Scottish Outlook, 9, 14 *seq.*, 19, 23,  
   168 *seq.*  
 Sectarianism, 36  
 Senate, The, 83 *seq.*, 98 *seq.*  
 Senlac, 42  
 Service, 13, 26, 185, 263  
 Shadwell, Dr., 141  
 Shaftesbury, Lord, 119  
 Shipping, 104, 123, 254  
 Simon, Sir J., 121, 149 *seq.*, 245, 254  
 Smith, Adam, 2, 124  
 Smith, Mr. H., 146 *seq.*  
 Smoot, Senator, 89

Smyrna, 58  
 Snowden, Lord, 127, 132, 246, 269  
 Socialism, 28 *seq.*, 33, 121, 124,  
   132 *seq.*, 142, 144, 147, *seq.*, 164,  
   183, 187, 248, 252  
 South African War, 29, 31  
 Southwark, Bishop of, 148  
 Sovereignty, 28  
 Spain, 177  
 Spengler, O., 72  
 Stalin, 177  
 Statute of Westminster, 264 *seq.*  
 Steed, Mr. Wickham, 30, 48 *seq.*, 84  
 Steel-Maitland, Sir A., 148, 156  
 Stott, Sir Philip, 179  
 Stourport, 2 *seq.*, 5, 31  
 Stuarts, 170 *seq.*  
 Swansea, 114  
 Sybil, 100

## T

Tactics, 201 *seq.*  
 Taff Vale Case, 28  
 Taft, Chief Justice, 90  
 Tariff Commission, 247  
 Tariff Reform, 6  
 Taylor, Admiral, 233  
 Territorial Army, 40  
 Third International, 199  
 Thurlow's Case, 268  
 Times Newspaper, 47, 49, 61, 66, 74,  
   144, 148, 152, 198, 217, 231 *seq.*,  
   248, 259, 261, 263  
 Toryism, 44, 163, 168 *seq.*, 196 *seq.*,  
   213  
 Trades Dispute Act, 28, 150, 206  
 Trade Union Bill, 12  
 Trade Union Congress, 33, 41, 124,  
   145, 147 *seq.*  
 Trade Unionism, 28, 43, 123, 131,  
   187  
 Treasury, 66, 84 *seq.*  
 Trinity College, Cambridge, 27  
 Tudors, 170  
 Turkey, 57 *seq.*, 71, 73

## U

Unemployment, 246  
 United Empire Party, 231, 233, 243

## V

Values, 18  
 Venizelos, 59

Venice, 128, 254

Victorians, 25

# W

War Debt, 83

War Loan, 47, 51, 51 *seq.*, 100 *seq.*,  
246, 248, 256

Washington, 54, 69, 87, 98

*Wealth of Nations*, 15

Webb, Mary, 183

Webb, Mrs. Sidney, 178

Wellington, Duke of, 35

Welsh Disestablishment, 43

Welsh Outlook, 17, 44

West Country, 10, 10 *seq.*

Wesleyan Conference, 8

*Westminster Gazette*, 87

Whigs, 171 *seq.*, 188, 210

Whitehall, 34, 38, 41, 48 *seq.*, 186,  
193

Whyte, Mr. Gowans, 116

Winchester, Bishop of, 148

Winterton, Earl, 268

Wilden, 7, 15, 24

William III., 171

William of Normandy, 42

Williams, Mr. Evan, 141, 146

World War, Foreign Debt Com-  
mission, 83

Women's Suffrage, 214

Worcestershire, 11, 22 *seq.*, 26, 38,  
78, 82, 105

*Worker's Weekly*, 198

Wyndham, Rt. Hon. George, 25

# Y

*Yorkshire Observer*, 94

Young, Sir Edward Hilton, 140

Younger, Sir George, 52, 72

# Z

Zetland, Marquis of, 60, 73

Zinovieff, 199

Zollverein, 129